JOURNAL
OF TOURISM, SUSTAINABILITY AND WELL-BEING

VOLUME 14
NO 2/26
CIN TURS
Editor-in-Chief: Patrícia Pinto

TECHNICAL INFORMATION

JOURNAL OF TOURISM,
SUSTAINABILITY AND WELL-BEING
2026, VOL. 14, NO. 2

Authors:
Andrei Bezruchonak | Cláudia Ribeiro de Almeida | Demeke Kibru | Eleonora Biassoli | Manuela Pires Rosa | Mesfin Tesfaye | Sukarn Sharma | Valentina Tocchioni | Vildan Yilmaz

Publisher:
Research Centre for Tourism, Sustainability and Well-being - CinTurs
University of Algarve, Gambelas *Campus*, Faculty of Economics, Building 8, 8005-139, Faro | cinturs@ualg.pt | www.cinturs.pt

Open Access Policy:
This is a blind peer-reviewed journal.
Articles submitted to this journal should not have been published before in their current or substantially similar form.
The JTSW is diffused by all links related to the Research Center for Tourism, Sustainability and Well-being and is continually online (https://journals.cinturs.pt/jtsw/index).
This journal is financed by National Funds provided by FCT- Foundation for Science and Technology through project UID/04020/2025 (CinTurs).

Indexation:
RePec-Ideas | Directory of Open Access Journals | Emerging Sources Citation Index (ESCI) - Clarivate | Latindex | Academia.edu | Google Scholar | RCAAP

Networking and Indexing:
Marlene Fernandes | Silvia Fernandes

Editorial Assistant:
Marlene Fernandes

Design and Cover Concept:
Bloco D, Design e Comunicação

Cover Image:
Photo by Emma Miller on Unsplash

Quarterly Edition
ISSN: 2795-5044
CinTurs, Faro, Portugal

AIMS & SCOPE

The **Journal of Tourism, Sustainability and Well-being (JTSW)** is an international open-access academic journal in the tourism field that publishes high-quality, refereed articles that advance science widely available so that tourism can serve the society, enhance a sustainable development of the destinations, and positively impact the well-being of stakeholders.

JTSW offers itself a multidisciplinary and all-inclusive bridge between theoretical and practical aspects of tourism and the emerging interdisciplinary aspects that can revolutionise the tourism and hospitality industries. While the JTSW maintains its traditional focus on original research, both conceptual and empirical, that clearly contributes to the theoretical development of the tourism field, it also has a far more inclusive and broadened scope to keep up with the new problems that challenge academics and practitioners working in private, public and non-profit organisations globally. JTSW encourages research based on a variety of methods, qualitative and/or quantitative, based on rigorous theoretical reasoning and supported by a strong methodology. Criteria for evaluation include significance in contributing new knowledge, conceptual quality, appropriate methodology, technical competence (of theoretical argument and/or data analysis), and clarity of exposition.

JTSW promotes research on a broad range of topics that explore major trends in the study of relationships between tourism, sustainable development of destinations and well-being of tourism-related stakeholders. Contributions can be from all disciplinary perspectives, with interdisciplinary approaches especially welcomed as far as they apply to the tourism research field. All policy, planning and management aspects of tourism are also encouraged.

The journal is published as a quarterly international review in open access, mainly composed of thematic special issues. The publishing schedule is the last working day of March, June, September and December. Any interested scholar can submit a proposal for the guest-edition of a special issue to the Editor-in-Chief. The proposal should follow the guidelines provided in the Guide for Guest Editors. Each article must follow the publication rules as in the Author Guidelines. The Guest-Editors and the Editor-in-Chief are responsible for the implementation of a double-blind review process. This method ensures that the author(s) and the reviewers remain anonymous to guarantee a fair and impartial review of the submitted manuscripts.

JTSW is published by the Research Centre for Tourism, Sustainability and Well-being (CinTurs), settled at the University of Algarve, Portugal. This journal is financed by National Funds provided by FCT- Foundation for Science and Technology through project UID/04020/2025 (CinTurs).

The Editorial Board gathers world-renowned experts in different scientific areas, with a striving balance in geographic and gender diversity.

EDITORIAL

The second issue of JTSW in 2026 brings together four contributions that examine the evolving relationships between sustainability, tourism development, destination competitiveness, and organizational performance across diverse geographical contexts. The first article investigates the impacts of the Green Key certification in the Algarve, demonstrating how environmental certification can strengthen business competitiveness while fostering long-term commitments to sustainable tourism practices. The second study explores the rapid expansion of short-term rentals in the Algarve, revealing how their spatial concentration intensifies existing tourism and housing pressures, and highlighting the need for more integrated governance of accommodation, housing, and land-use policies. The third contribution shifts the focus to wellness tourism, comparing perceptions of Türkiye with established European destinations. It argues that developing a distinctive wellness identity grounded in cultural and historical assets represents a key pathway for strengthening destination competitiveness in an increasingly dynamic market. Finally, the fourth article examines the role of performance management practices in four-star hotels in a case study, showing that employee performance is enhanced through integrated systems that combine participatory planning, continuous feedback, and developmental corrective actions. In summary, these studies illustrate how sustainable tourism development depends not only on responsible destination management and strategic positioning but also on effective organizational practices that support long-term resilience and well-being across the tourism sector.

TABLE OF CONTENTS

JOURNAL OF TOURISM,
SUSTAINABILITY AND WELL-BEING

2026, VOL. 14, NO. 2, 73-88

ISSN: 2795-5044 | https://doi.org/10.34623/w39w-1n77

The Impacts of Green Key Certification on Tourism Enterprises in the Algarve

Eleonora Biassoli [1]
Manuela Pires Rosa [2]
Valentina Tocchioni [3]

1. University of Florence, Department of Economy, Florence, Italy
2. Universidade do Algarve, CinTurs - Reserch Centre for Tourism, Sustainability and Well-being, Faro, Portugal
3. University of Florence, Department of Statistics, Informatics, Florence, Italy

ABSTRACT

This paper explores the intricate relationship between sustainability and tourism in the Algarve, specifically focusing on the Green Key label's role in hotels and hospitality enterprises in the Algarve region. The study highlights the importance of the Green Key certification in driving eco-conscious practices within the tourism sector, tracing the evolution of sustainable tourism in the Algarve. The Algarve region serves as a captivating backdrop for this investigation. The research methodology was conducted on establishments that won the Green Key certification in 2023. This included the research design, sampling procedures, questionnaire development, data collection, and analysis methods. The analysis of questionnaire results is a focal point, offering insights into establishment profiles, motivations for participating in the Green Key program, the tangible and intangible benefits derived, compliance with certification criteria, and establishments' plans for sustainability. The findings reveal a strong commitment to sustainable practices among various types of accommodations, with long-term Green Key award holders demonstrating significant environmental awareness. Additionally, the results highlight that Green Key certification positively impacts brand reputation, customer loyalty, and operational efficiency, emphasizing its role in promoting sustainability within the tourism sector. These findings contribute to the growing body of research on eco-certifications by demonstrating their practical value in enhancing business performance while supporting environmental goals. Practically, the study provides valuable guidance for policymakers, tourism stakeholders, and hospitality managers aiming to integrate sustainability frameworks and certifications as strategic tools for responsible tourism development in the Algarve and beyond.

KEYWORDS

Sustainable Tourism, Green Key Certification, Algarve Region, Environmental Responsibility.

ARTICLE HISTORY

Received 14 March 2025 Accepted 30 March 2026

CORRESPONDING AUTHOR CONTACT Eleonora Biassoli eleonorabiassoli@gmail.com University of Florence, Department of Economy, Florence, Italy

1. Introduction

In recent years, the tourism industry has increasingly adopted sustainable and responsible practices in response to growing environmental concerns and stakeholder demands (UNEP/WTO, 2005). Achieving sustainability in tourism requires a comprehensive approach that balances the needs of visitors, local communities, and the environment while ensuring the sector's long-term economic viability. This involves responsible use of natural resources, respect for cultural heritage, and monitoring tourism impacts to maintain satisfaction among tourists and residents. Effective sustainable tourism relies on the active engagement of stakeholders and strong political leadership. It applies to all segments and scales, requiring continuous oversight and prompt corrective measures. Promoting sustainability throughout the tourism value chain and raising awareness of best practices is crucial to fostering responsible tourism behaviours (Ekka et al., 2023).

The Foundation for Environmental Education (FEE) is crucial in managing and coordinating sustainability through its renowned programs, notably the Green Key and Blue Flag certifications (FEE, 2021). Among these, the Green Key certification is one of the most prominent eco-labels in Portugal, primarily targeting the hospitality sector, including hotels, campsites, guesthouses, and restaurants. This certification was introduced in Portugal in 1996 and has gained widespread recognition for promoting environmental responsibility among tourism establishments. Green Key-certified establishments are required to meet strict criteria related to energy and water consumption, waste management, eco-friendly products, and community engagement, ensuring a commitment to sustainability practices. According to the European Blue Flag Association (ABAAE), which coordinates the program in Portugal, Green Key has become a symbol for tourists looking for environmentally friendly options, with a growing number of Portuguese hotels and accommodations achieving certification (ABAAE, 2021).

Although not exclusive to the tourism sector, the Blue Flag certification is an important eco-label in Portugal, particularly for beaches and marinas. The program focuses on sustainable beach management, water quality, safety, and environmental education. Portugal is one of the leading countries in terms of Blue Flag-certified beaches, with over 300 beaches receiving the certification annually. This has enhanced Portugal's reputation as a sustainable beach destination, appealing to tourists who prioritize environmental quality and safety (FEE, 2021).

Marketing strategies play a pivotal role in promoting sustainable tourism and enhancing the visibility of eco-certified establishments. In the context of Green Key certification, marketing approaches such as green branding, eco-labeling, and content marketing are instrumental in attracting eco-conscious travelers. Establishments strategically leverage their sustainability credentials through digital platforms, social media, and in-house displays to communicate their environmental commitment. By aligning marketing messages with sustainability values, businesses can effectively build brand loyalty, increase customer engagement, and differentiate themselves in a competitive market. This integration of sustainability into marketing strategies not only enhances brand reputation but also drives customer satisfaction and operational efficiency (Zheng et al., 2025).

This study investigates the impact of the Green Key label on the hospitality industry in Portugal's Algarve region by surveying the 2023 Green Key award winners. The paper aims to explore how green certification influences sustainable practices and marketing strategies within this context. It is structured into four main sections: the literature review examines the importance of sustainable tourism and the role of green certifications; the methodology describes the research design; the results section presents a comprehensive overview of the findings; and the conclusion discusses the main insights and implications of the study.

2. Literature Review

2.1 Sustainable Tourism Certifications

Sustainable tourism practices are essential for minimizing negative environmental impacts, promoting social equity, and strengthening local economies. According to the United Nations World Tourism Organization (UNWTO), sustainable tourism meets the needs of current tourists and host regions while preserving opportunities for the future. It balances environmental, social, and economic objectives through strategic initiatives like the Global Sustainable Tourism Council (GSTC) Criteria, which emphasize sustainable destination management via stakeholder engagement and adaptive practices (GSTC, 2016; UNWTO, 2019).

The growing demand for sustainable tourism options is not merely a trend but a necessity, as evidenced by increasing consumer awareness and expectations (Xing, 2024). Sustainable tourism certifications have emerged as powerful catalysts for change, encouraging tourism operators to implement practices that align with sustainable development principles (Viglia & Acuti, 2023). Certifications such as Green Key play a pivotal role in reducing energy and water consumption, enhancing waste management, and protecting biodiversity, thereby demonstrating the tangible environmental benefits of sustainable practices (Velaoras et al., 2024).

However, the widespread adoption of sustainable tourism practices faces several challenges. A significant barrier is the lack of knowledge about indicator systems, insufficient training, and limited awareness of sustainability's value among local authorities (McLoughlin et al., 2023). These gaps hinder the effective implementation of sustainable tourism policies. To overcome these challenges, researchers suggest innovative approaches, including leveraging digital tools for transparency and communication, simplifying certification processes, and offering financial incentives to small businesses (Velaoras et al., 2024).

Capacity-building initiatives are also crucial. According to Dias et al. (2024), training tourism professionals to collect and analyze sustainability data can improve operational efficiency and reduce costs. Certification schemes not only benefit individual businesses but also contribute to the long-term sustainability of entire destinations. To amplify these benefits, destination management organizations (DMOs) and government institutions should actively promote certifications by offering financial support, tax incentives, and targeted campaigns aimed at medium and large enterprises.

Recent campaigns have highlighted the role of certifications in climate action. Both Green Key and Blue Flag, for instance, launched the ClimACT campaign as part of the GAIA 20:30 initiative, focusing on climate change mitigation. This campaign encourages tourism professionals and travelers to adopt sustainable practices like reducing energy and water consumption and improving waste management. By promoting accessible and straightforward solutions, the ClimACT campaign fosters collective action towards climate-positive tourism. It also engages the broader tourism network through free events and activities, maximizing positive environmental impacts and raising awareness about the sector's role in climate change mitigation (Green Key, 2024).

2.2 Benefits and Challenges of Green Certifications on Tourism Establishments

Green certifications are designed to encourage tourism establishments to adopt more sustainable practices. According to Bianco et al. (2023), sustainability certifications have a significant positive impact on hospitality businesses by enhancing performance metrics and improving market positioning. These certifications boost key performance indicators (KPIs) such as revenue per available room (RevPAR), average daily rate (ADR), and occupancy rates, allowing certified hotels to outperform their competitors. Hotels that lead the way within their competitive set particularly reap the benefits, achieving superior financial results through increased customer loyalty and establishing barriers to switching. Additionally, certifications attract environmentally conscious guests who are often willing to pay premium prices, thus contributing to a higher ADR and enhancing the hotel's reputation. This trend aligns with the growing demand for eco-friendly accommodations. Implementing sustainable practices also leads to long-term cost savings by improving operational efficiencies in energy and waste management.

Green certifications frequently serve to raise the environmental consciousness and knowledge of both employees and guests. Buckley (2012) underscores that certifications (like the Blue Flag) require tourism operators to introduce educational programs concerning environmental sustainability. This proactive approach contributes to a broader comprehension of sustainable practices among all stakeholders, fostering behavioural changes that extend beyond the immediate operational environment.

From a marketing standpoint, green certifications can offer a competitive advantage in the competitive tourism market. Kang et al. (2012) discovered that establishments with green certifications can command premium prices and appeal to a niche market of environmentally conscious travelers. Moreover, certifications can result in higher customer satisfaction and loyalty, as demonstrated by Myung et al. (2012), who observed increased repeat visits and occupancy rates among certified establishments. Sustainability certifications significantly enhance customer trust in hotels, cultivating a perception of responsible and sustainable management. This, in turn, increases the likelihood of repeat visits and a greater willingness to pay premium prices. Certified hotels also bolster their brand image, attracting environmentally conscious customers. Furthermore, those who perceive hotels as "green" are more inclined to select them and support eco-friendly practices. By helping to distinguish hotels from their competitors, sustainability certifications enhance their market appeal (Chi et al., 2022). These certifications enable hotels to stand out in a competitive market by responding to the increasing demand for sustainable tourism. This perspective is reinforced by recent research from Rodríguez-García et al. (2023), who conducted a comparative analysis of major international hotel certifications, underscoring their role in enhancing brand positioning, fostering customer loyalty, and driving sustainability-oriented innovation.

Despite their benefits, green certifications have challenges. One significant issue is the variability in certification standards and the lack of uniformity across different programs. According to Futagami and Kumara (2022), this inconsistency makes it challenging for consumers to identify truly sustainable hotels. Various certifications apply different criteria, so labels can become confusing or misleading, leading to a lack of trust in their authenticity. The absence of globally recognized standards diminishes the effectiveness of these certifications in driving meaningful environmental change within the hospitality industry. Moreover, consumer awareness, trust, and willingness to pay for certified hotels vary widely across different regions and demographic groups, influenced by cultural values and the clarity of certification criteria (Velaoras et al., 2025). These factors underline the importance of considering consumer perceptions when assessing the overall impact of green certifications.

The financial burden associated with obtaining and maintaining certifications also poses a challenge, particularly for small and medium-sized enterprises (SMEs). Bianco et al. (2023) note that for many small and medium-sized hotels, the costs of obtaining and maintaining certifications can be prohibitive. Additionally, implementing necessary improvements, such as upgrading to energy-efficient systems or installing water-saving technologies, can be financially demanding.

One notable drawback of sustainability certifications is the potential for greenwashing, where companies make misleading or exaggerated claims regarding their environmental advantages. As noted by Elzek et al. (2021), some organizations exploit these certifications as marketing tools rather than committing to genuine environmental improvements. This practice not only undermines the credibility of green certifications but also misleads consumers who are earnestly seeking sustainable and eco-friendly options. Consequently, the prevalence of greenwashing diminishes the effectiveness of these certifications, making it more challenging for consumers to place their trust in them and discouraging businesses from genuinely investing in sustainable practices.

Research by Durmuş Şenyapar (2024) also highlights that the proliferation of eco-labels and certifications, coupled with inconsistent standards and inadequate verification processes, leads to considerable confusion among consumers. This confusion complicates consumers' ability to distinguish truly sustainable establishments from those practicing greenwashing, thereby heightening the risk of greenwashing, diminishing the impact of legitimate green certifications, and eroding public trust in environmental claims.

2.3 Rising Importance and Adoption of Environmental Certifications in the Hotel Industry

In recent years, environmental certifications like Green Key, EarthCheck, LEED (Leadership in Energy and Environmental Design), and ISO 14001 (International Organization for Standardization) have become increasingly important in the hotel industry. These certifications help hotels reduce their environmental impact, improve operational efficiency, and stand out in a competitive market. EarthCheck is a globally recognized certification and benchmarking program designed specifically for the tourism and hospitality sector. It helps hotels measure and improve their environmental performance in energy use, waste management, and carbon emissions (EarthCheck, 2024). Similarly, LEED focuses on sustainable building practices, assessing factors like energy efficiency, water conservation, indoor environmental quality, and eco-friendly materials (U.S. Green Building Council, 2025). ISO 14001, as an internationally recognized standard, establishes best practices for environmental management systems, guiding organizations in identifying and controlling their environmental impact while ensuring compliance with regulations and promoting continuous improvement (International Organization for Standardization, 2025).

The growing demand for sustainability, driven by regulatory pressures and eco-conscious travelers, has made these certifications a strategic tool for attracting guests who prioritize environmental responsibility. By adopting recognized standards, hotels not only comply with regulations but also enhance their brand image, meeting the evolving expectations of modern consumers.

Recent studies highlight the significant role of environmental certifications in influencing consumer behaviour. For instance, Alhassan et al. (2024) found that while green certifications can serve as effective marketing tools, their actual impact on customer satisfaction may be mediated by perceived hotel quality. This suggests that hotels must not only obtain certifications but also ensure that their overall service quality meets consumer expectations. Similarly, Qubbaj et al. (2023) highlighted that growing customer interest in green practices has led to an increase in the number of green certifications within the hotel sector, suggesting a direct correlation between consumer demand and the adoption of sustainable practices.

The economic implications of adopting environmental certifications are also noteworthy. Researchers discussed how the adoption of sustainable practices in the hospitality industry is influenced by various factors, including establishment size and stakeholder pressure (Shereni et al., 2023). This underscores the need for hotels to strategically align their sustainability initiatives with market demands and operational capabilities. Furthermore, Martins et al. (2023) identified key determinants of environmental certification in Portuguese hotel companies, suggesting that understanding these factors can help hotels better navigate the certification process and enhance their sustainability efforts.

As sustainability continues to shape travel decisions, awareness of hotel certifications is expected to rise, particularly among younger generations such as Millennials and Generation Z. These age groups are more informed about environmental issues and tend to favor eco-friendly accommodations (Wu et al., 2024). This growing awareness has led to increased demand for transparency in the certification process, with consumers seeking detailed information about the implications of specific certifications on hotel operations. The emphasis on transparency not only fosters consumer trust but also encourages hotels to adopt more rigorous sustainability practices to meet the expectations of these discerning travelers.

Moreover, integrating technology within the hospitality sector, particularly through Industry 4.0 innovations, presents new opportunities for enhancing sustainability efforts. Ben Youssef and Zeqiri (2022) found that implementing Industry 4.0 technologies can help hotels combat climate change by aligning operational practices with sustainability goals. This technological integration streamlines processes, reduces waste, and improves resource management, further reinforcing the value of environmental certifications in achieving sustainable operational practices.

Despite the benefits, implementing sustainable practices and obtaining certifications remains challenging. Small and medium-sized enterprises, particularly in developing regions, may lack the necessary resources for certification. This underscores the need for tailored support to help these establishments adopt sustainable practices that align with their operational capabilities (Shereni et al., 2023).

3. Methodology

The design choice aligns with the research objectives, which aim to explore the current state of affairs and the underlying dynamics and contextual factors that impact adopting and implementing sustainable practices among hotels awarded the Green Key certification in the Algarve in 2023.

The research design selected for this study is a cross-sectional survey that provides a detailed overview of sustainability practices and marketing strategies among award-winning hotels in the Algarve region in 2023. The survey is a self-administered questionnaire distributed online and includes closed and open-ended questions. This approach allows for the gathering of both quantitative and qualitative data. Quantitative data provides numerical insights into trends and patterns, while qualitative data offers a deeper understanding of the participating hotels' attitudes, motivations, and challenges.

The population of interest was 41 Green Key award-winning hotels in the Algarve region for 2023. The criteria for selection identified hotels that demonstrated exemplary commitment to sustainability practices, as recognized by the Green Key certification. These establishments, comprising various accommodation types such as hotels, bed and breakfasts, and resorts, were purposefully chosen to offer a comprehensive and diverse perspective on sustainable initiatives within the regional hospitality sector.

The Green Key certification is awarded to establishments that demonstrate a commitment to sustainability across various operational aspects. The criteria for achieving this prestigious award encompass a broad range of environmental practices, each contributing to the overall environmental performance of the establishment. The following areas are the key components of Green Key certification, each focusing on specific aspects of environmental and social responsibility:

1. Environmental management
2. Staff involvement
3. Guest information
4. Water consumption
5. Cleaning and hygiene
6. Waste management
7. Energy management
8. Food and beverage practice
9. Indoor environment
10. Green area
11. Corporate social responsibility
12. Green activities
13. Administration

The criteria are not only about meeting environmental standards but also about fostering a culture of sustainability that engages staff, guests, and the local community in positive environmental change.

The data collection process for this study involved distributing a structured questionnaire to Green Key-certified establishments in the Algarve region. The survey was conducted over a ten-month period, beginning on 31 October 2023 and concluding on 4 September 2024.

The questionnaire opens with a comprehensive and concise overview of the research topic, outlining the study's purpose and scope. Additionally, the questionnaire mentions that complete data privacy and anonymity are ensured in order to build trust with respondents and guarantee that their answers remain confidential. The questionnaire has been thoughtfully designed with three distinct sections that work together to gather pertinent information. The initial section covers general questions, offering some general information of the accommodation. The second section delves deeper into the impact of the Green Key label on the participants' establishments. Finally, the third section focuses on the specific criteria associated with the Green Key certification. This comprehensive structure includes 13 closed-ended questions, predominantly using a Likert scale format, allowing respondents to indicate their level of agreement or frequency on a standardized scale. Additionally, participants can provide more detailed insights with three non-mandatory open-ended questions, encouraging qualitative input and fostering a more comprehensive understanding of their perspectives. This methodological approach facilitates a nuanced exploration of participants' experiences and perceptions of the Green Key certification.

The survey administration process involves carefully disseminating a thoughtful questionnaire to all 41 winners from the 2023 Green Key Awards in the Algarve region, including hotels, bed & breakfasts, and resorts. It should be noted that the survey was initiated at the end of 2023, while the winners of the 2023 Green Key certification were determined based on the criteria they met in 2022, as the evaluation process refers to the establishments' performance in that period. The procedure typically involves a thorough application process, including an on-site audit, and takes between three to six months. As such, the winners of the 2023 Green Key certification would have started their application process in 2022. While the specific dates of the announcement and any related ceremonies may vary, the certification is usually made public at the beginning of the year.

The respondents were selected through the official website of Green Key in the "Winners 2023" section, which provides every winner's email address, telephone number, and official website. The questionnaire was distributed via email, accompanied by a detailed cover letter that clearly outlined the purpose of the research and emphasized the importance of participants' contributions. The cover letter is essential in establishing engagement and context for the survey. It highlights the significance of participants' insights and guarantees the confidentiality of their responses. Additionally, it communicates the intention to share research findings with participants, promoting transparency and collaboration in the research environment. Despite the meticulous planning and effort invested in the survey process, it is essential to acknowledge the challenge posed by a significantly low response rate, which often occurs in online surveys. Multiple contacts and email solicitations were employed to encourage greater participation, yet the final number of respondents amounted to 20, showing the inherent difficulties of engaging participants in self-administered online surveys. According to Mason (2010), an analysis of 560 PhD studies revealed that 20 was the second most common sample size, with over 80% of all studies having a minimum sample size of 15.

The Green Key questionnaire was analyzed comprehensively through a dual approach, utilizing both qualitative and quantitative methods. The qualitative data from open-ended responses was analyzed using thematic coding in Microsoft Excel. Given the limited size of the dataset, Excel provided an effective and appropriate tool for organizing and identifying recurring themes and patterns, enabling nuanced insights into participants' perceptions and experiences with the program. A thematic analysis was employed to systematically explore the qualitative responses, revealing common threads and unique perspectives. This qualitative component added depth and context to the survey outcomes. Quantitative data was also analyzed using Microsoft Excel for producing descriptive statistics (graphs and tables). In addition, basic inferential statistical techniques, such as cross-tabulations and chi-square tests, were employed to explore potential associations between hotel characteristics (e.g., size, category) and their reported sustainability practices. While the small sample size limited the use of more advanced testing, these tests offered preliminary insights into whether observed patterns were likely to be statistically significant or the result of random variation. The survey results were comprehensively interpreted by combining qualitative and quantitative analyses. This hybrid approach captured the richness of participants' qualitative responses and provided statistically grounded insights into the prevalence of specific sentiments and trends. The analyses offered a robust foundation for understanding the multifaceted impact of the Green Key program from both qualitative and quantitative perspectives.

4. Results

4.1 Establishment Profiles and Motivations for Green Key Participation

The initial section of the survey aims to gather insightful information about the participating establishments. The first question seeks to identify the establishment's classification, with answer options including Hotel, Bed & Breakfast (B&Bs), Resort, Residence, and others.

The results show that 8 out of 20 of the respondents are resorts, indicating a strong commitment to sustainable practices among larger-scale, luxury accommodations. 9 of the participants are hotels, reflecting the significant involvement of more conventional establishments in adopting eco-conscious measures. Smaller-scale options, such as guest houses and B&Bs, each make up 1 of the respondents, demonstrating that sustainability efforts are also embraced by more intimate lodging options. Additionally, 1 of the respondents is in the camping and resort category, showcasing a commitment to sustainable practices across diverse accommodation types, including outdoor environments.

The following question delves into the geographical coverage of the participating establishments, aiming to uncover the extent of their locations beyond the Algarve region. Based on the responses, most establishments (19 out of 20) do not have areas outside Algarve. However, one respondent has confirmed having establishments in Europe, Asia, and Brazil, indicating a more extensive geographical presence. This response suggests that the latter establishment operates as part of a chain with an international footprint.

Among the 20 respondents, 9 have held the Green Key award for a substantial period of 3-5 years, illustrating a strong long-term commitment to sustainable practices. 8 of the respondents have held the award for 1-2 years, reflecting a growing trend in adopting sustainable initiatives. Additionally, 3 of the respondents have received the award in less than 1 year, indicating a recent move towards sustainability or that they had already implemented environmental measures in the past but had not previously applied for certification. However, it is important to emphasize that achieving Green Key certification requires significant effort and time. The process involves meeting rigorous sustainability criteria and ensuring consistent implementation of sustainable practices, which typically requires several years of work and gradual adaptation to the necessary standards before certification can be awarded.

The responses to the question regarding the primary type of guests show a clear trend: the majority of establishments focus on leisure clientele, with 13 of respondents indicating they cater to "mostly leisure" guests and 3 serving "only leisure" guests. Additionally, 3 of the establishments cater to a mix of both leisure and business visitors ("half and half"), while only 1 primarily serves business guests ("mostly business"). These findings suggest a strong emphasis on leisure-focused services and amenities. Understanding the predominant guest type is essential for tailoring services and marketing strategies. Given the high prevalence of leisure-oriented establishments, there is a significant opportunity to further enhance offerings that meet the needs and preferences of leisure vacationers.

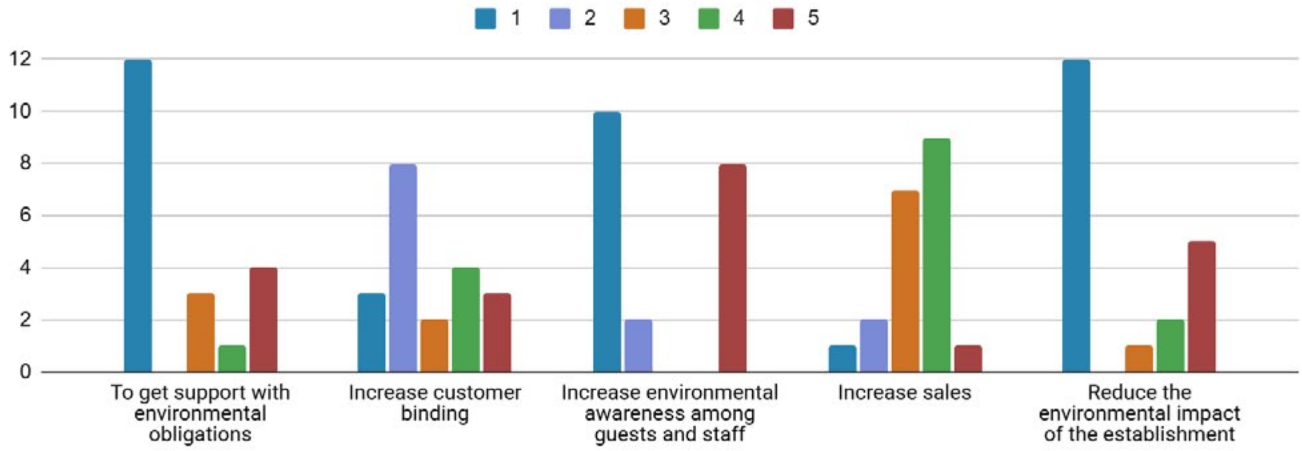
The feedback on the question, "Do you inform your guests about the Green Key award?" reveals that most establishments actively communicate their certification, reflecting a strong commitment to sustainability. Only 1 respondent answered "Maybe," suggesting an opportunity to enhance communication strategies. Respondents use different methods to show the certification, including check-in processes, social media, websites, and in-house displays. Many use physical displays, such as signs and flyers, and direct personal engagement to discuss sustainable practices. These varied approaches ensure broad visibility and demonstrate a commitment to not just showcasing the award but also educating guests about sustainability throughout their stay.

Upon further analysis, the responses reveal the various channels through which Green Key awareness reached different establishments. 7 of the respondents attributed their certification knowledge to authorities, highlighting the significant role of regulatory bodies in promoting sustainability initiatives. 6 of the respondents indicated that their awareness came from their hotel chains, suggesting a top-down approach where some chains actively encourage or require Green Key certification. An additional 6 establishments reported learning about the Green Key through the media, emphasizing the influence of media outlets and online platforms in shaping sustainability priorities. The National Green Key Office accounted for 2 of the awareness, reflecting the role of national organizations in disseminating information. The remaining respondents cited other sources, such as external consultants, in spreading awareness.

The final question of the first module of the questionnaire asks respondents to rank their motivations for joining the Green Key on a scale of 1 to 5, where 1 is the most important and 5 is the least important (Figure 1). The analysis of the reasons for joining the Green Key scheme shows a range of motivations among the establishments. The most common reasons include a desire to receive support with environmental obligations and to reduce their overall environmental impact, highlighting a strong commitment to sustainable practices and regulatory compliance.

Many establishments (10) also aim to increase environmental awareness among guests and staff, suggesting a focus on education and engagement as part of their sustainability efforts. Additionally, 8 of the respondents view the Green Key certification as enhancing customer loyalty, reflecting the growing importance of eco-conscious branding and reputation. While increasing sales was ranked lower overall, it remains a relevant consideration for 9 of the establishments. Generally, the motivations to join the Green Key scheme emphasize a balance between environmental responsibility and building a positive relationship with both customers and employees.

Figure 1. Reasons to join the Green Key according to the participants

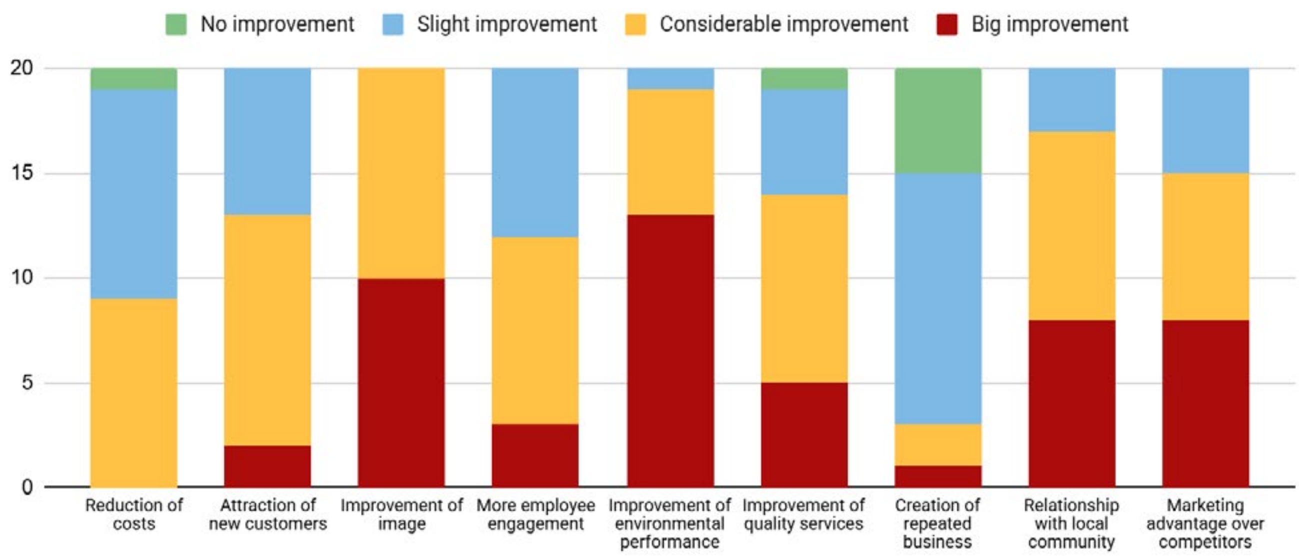


Source: Own Elaboration

4.2 Impacts and Benefits of the Green Key Label

This section aims to understand the impacts and benefits of participating in the Green Key Programme from the participant's point of view. A specific question asked about the benefits of implementing Green Key, looking at 9 aspects of benefits and with a four-point scale as a possible answer ("no improvement", "slight improvement", "considerable improvement", or "big improvement"). (Figure 2). The findings suggest that establishments experience improvements in several key areas, including cost reduction, customer attraction, brand image, and environmental performance. A number of 10 respondents report that the Green Key certification significantly enhances their reputation and visibility in the market, offering a competitive edge and fostering a positive public image. Moreover, the certification helps to strengthen relationships with local communities and boost employee engagement, indicating that sustainability efforts positively affect both internal and external stakeholders. Several 9 participants also see gains in service quality, with many reporting enhanced offerings that align with sustainability goals.

Figure 2. Benefits of implementing Green Key according to the participants



Source: Own Elaboration

While some benefits, such as increased repeat business, are less pronounced (12 respondents didn't notice a remarkable improvement), the overall impact of Green Key certification is largely positive. It not only supports environmental goals but also provides tangible business advantages, such as attracting new customers and improving market positioning. This broad range of benefits demonstrates the value of sustainable practices in driving both ecological responsibility and commercial success.

Moreover, we investigated whether the survey participants believe that Green Key has increased the sustainability of their establishments. According to the results, most respondents positively perceived Green Key's contribution to sustainability. Of the 20 participants, 19 agreed that Green Key had significantly promoted sustainability at their respective sites. This unanimous consensus highlights the positive impact of Green Key. Interestingly, 1 respondent provided a "Maybe" response, indicating a nuanced perspective that may suggest a degree of uncertainty or a need for further assessment. Nonetheless, the majority of respondents strongly affirmed the positive impact of Green Key, while only one expressed a more cautious or uncertain stance.

Participants were asked to grade various aspects by providing assessments for the Green Key program evaluation. The question posed to respondents was about how they would rate a range of values or points of Green Key. Responses ranged from "Very Poor" to "Very Good" (Figure 3). The resulting analysis showcases the distribution of participant responses across these grading categories for each evaluated aspect, providing valuable insights into the program's perceived strengths and areas for improvement.

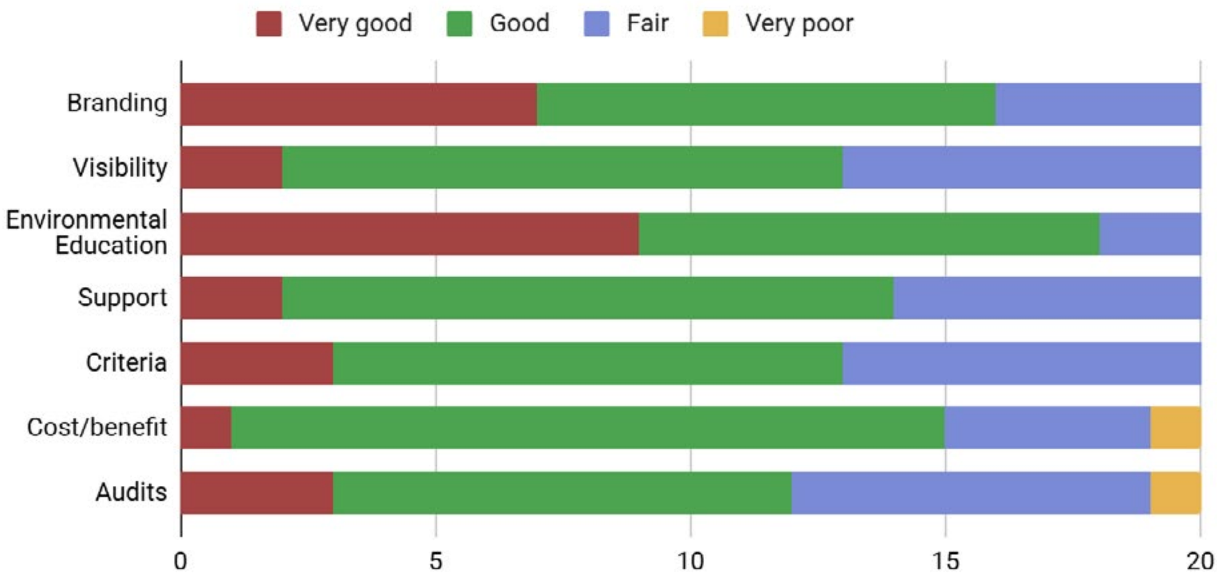
The feedback on the Green Key certification indicates a generally positive perception among participating establishments, with some areas identified for potential improvement. Respondents hold the branding of the label in high regard, with 13 out of 20 rating it as "Good" and 5 as "Very Good." However, 3 rated it as "Fair," suggesting there may be room for enhancing the branding visibility or communication.

Regarding the visibility of the eco-label (online/media), 12 rated it as "Good," but 6 out of 20 rated it as "Fair," indicating some concerns about the public presence of the Green Key eco-label. Only 2 rated it as "Very Good," suggesting an opportunity for greater media visibility and recognition.

Additionally, while the support provided by Green Key is deemed adequate, some respondents believe it could be more consistent (10 out of 20). Feedback on the criteria and on-site audits suggest that these aspects are viewed as fair to good but with potential for refinement for 4 respondents.

In summary, while the Green Key certification is valued for its contributions to sustainability and its benefits to establishments, enhancing visibility, support, and certain procedural aspects could further improve its effectiveness and appeal.

Figure 3. Ranking of values according to the participants



Source: Own Elaboration

4.3 Criteria Compliance and Future Plans

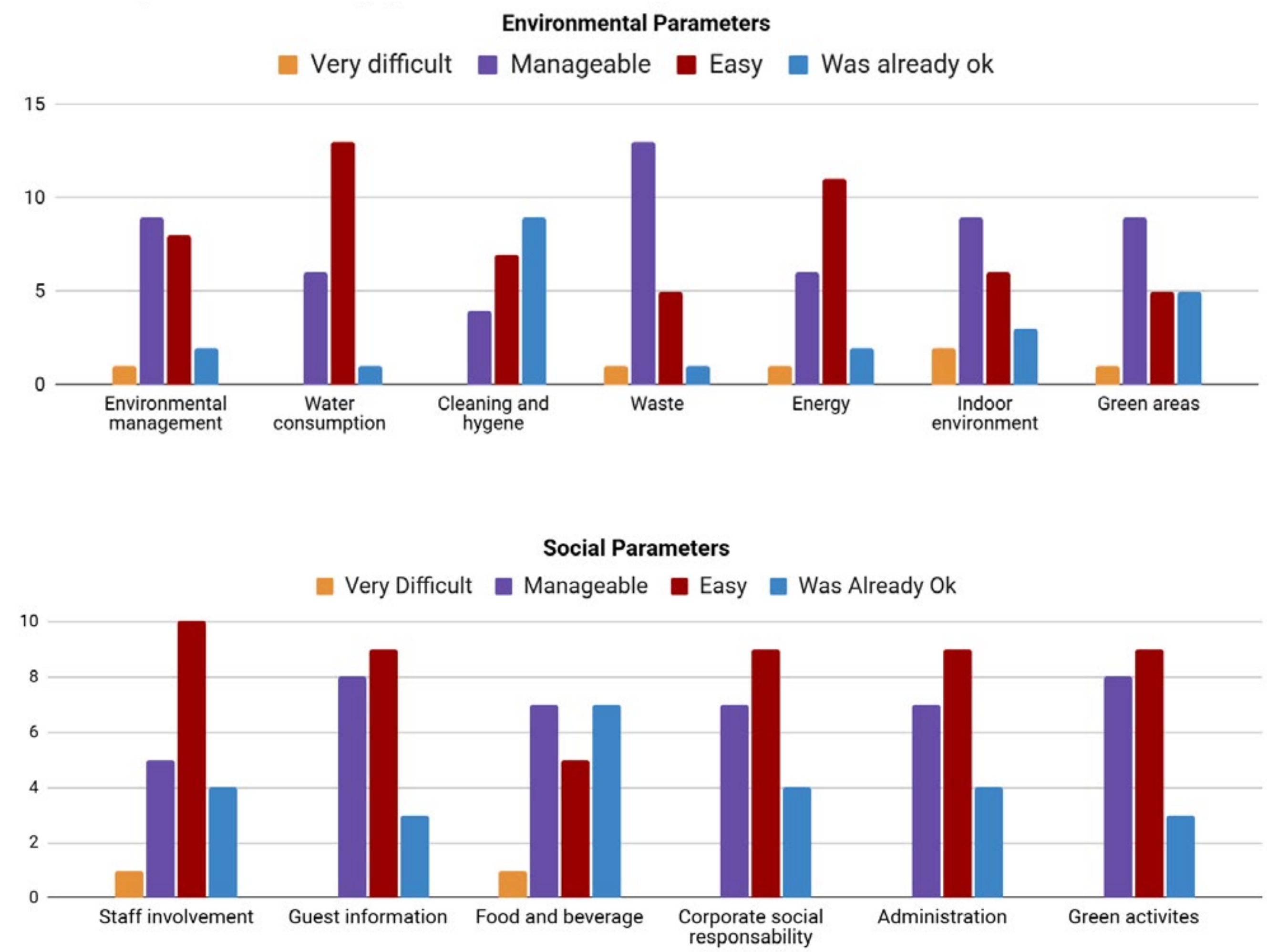
The final section of the questionnaire is dedicated to the pragmatic elements of adhering to Green Key standards. The initial inquiry pertains to the 13 mandatory criteria for securing the award. Respondents were requested to rate each aspect, ranging from "Very difficult" to "Was already ok" (Figure 4).

The feedback regarding compliance with Green Key criteria indicates that most establishments find the requirements to be generally manageable, although the level of difficulty varies across different areas. Many respondents report that compliance with key criteria, such as environmental management and staff involvement, is either manageable or easy, with some even indicating that they already met these standards before certification. This suggests a solid foundation in sustainability practices among the participating establishments.

However, certain criteria, such as guest information, food and beverage practices, and aspects of the indoor environment, tend to be more challenging for some respondents. This indicates that while many establishments are equipped to handle most sustainability requirements, there are still specific areas where additional guidance, resources, or adjustments might be necessary to ensure full compliance.

Additionally, while criteria like water and waste management are generally seen as easier to comply with, some respondents noted difficulties in areas that require ongoing engagement or specific expertise, such as green activities and corporate social responsibility. The results suggest that while the overall process is manageable for most establishments, targeted support and clearer communication around specific criteria could help further ease the path to compliance.

Figure 4. Grade of compliance with the Green Key Criteria according to the participants



Source: Own Elaboration

The upcoming question asks the participants their level of satisfaction with the support given by Green Key in terms of the following categories:

1. Promotional tools include brochures, flags, plaques, and gadgets;
2. Communication tools such as press releases and videos;
3. Homepage;
4. Newsletters;
5. Guidance material, such as templates, CO2 calculator, etc;
6. Guidance for good practices/ information on internal pages;
7. Training;
8. Environmental information such as benchmarking;
9. Checking the criteria/audit/site visit.

Based on participant feedback, Green Key's support has generally been well-received, with most respondents expressing satisfaction. A significant portion reported feeling "Satisfied" or "Very satisfied" across several categories, suggesting that Green Key has largely met the expectations and needs of the participating establishments (Table 1).

However, there were areas where satisfaction levels were more mixed. Specifically, in category 5 (Guidance material such as templates and the CO2 calculator), some respondents indicated dissatisfaction. This points to a need for improvement in the quality or accessibility of the guidance material, highlighting the importance of tailoring support to the specific challenges faced by different establishments. Enhancing these materials could help increase overall satisfaction.

On a positive note, categories like guidance for good practices and internal pages (category 6) received favorable feedback, with many respondents feeling "Satisfied" or "Very satisfied." This reflects the effectiveness of Green Key's efforts in these areas. Despite this, it is important to address any concerns from less satisfied participants to ensure that all establishments find the support helpful and comprehensive.

Table 1. Satisfaction Levels with Green Key Support

Categories	Very dissatisfied	Dissatisfied	Neutral	Satisfied	Very satisfied
Promotional tools			8	7	5
Communication tools	1	1	8	8	2
Homepage		1	6	10	3
Newsletters		1	6	6	7
Guidance material	2	8	3	5	2
Guidance for good practices		4	5	7	4
Training		2	7	7	4
Environmental information			8	10	2
Checking the criteria/ audit/site visit			5	12	3

Source: Own Elaboration

The final question pertains to whether to pursue Green Key Certification in the upcoming year. The majority of participants expressed a strong intention to continue with the certification, with 17 out of 20 answering "Yes." A smaller group of 3 answered "Maybe," suggesting some uncertainty or considerations that could be addressed. This indicates an overall satisfaction with the Green Key program, and those who are uncertain may have particular considerations that can be addressed to encourage their continued involvement. It's crucial to better investigate the reasons behind the "Maybe" responses to understand any potential concerns or areas for enhancement. Ultimately, the positive responses strongly suggest a high likelihood of retention for the following year.

At the end of the questionnaire, participants could provide open-ended feedback on the Green Key program. While this was not mandatory, only 7 responses were collected, and many participants chose to offer valuable insights into their experiences with the label. The feedback was positive and constructive, highlighting areas for improvement while acknowledging the program's strengths. Some participants expressed satisfaction with the program, noting that it was well-suited to their business needs and provided helpful guidance on sustainability decisions.

However, others suggested that more support was needed from the Green Key label, particularly regarding engagement with audits and year-round assistance. One participant even proposed including regeneration criteria and the recognition of top performers with a special sign. Finally, one participant expressed a desire for increased engagement with regional tourism authorities and greater awareness of the label overseas. Overall, the feedback suggests that the Green Key program could benefit from ongoing support and engagement, as well as the incorporation of additional criteria to better promote sustainability and redevelopment practices.

This study faced limitations, particularly in data collection. Despite sending a high volume of emails, the survey yielded only 20 responses from 41 targeted establishments. Potential barriers, such as language issues or spam filters, may have contributed to the low response rate. Furthermore, the sample included a disproportionate number of large hotel chains, which may not fully represent the broader diversity of the hospitality sector in the Algarve. As a result, insights from this study may not fully capture the implementation experiences and challenges faced by smaller entities. Future research should aim to incorporate a more balanced sample to better reflect the diversity of the hospitality sector.

5. Discussion

5.1 Theoretical Implications

The findings of this study offer important insights into the profiles, motivations, benefits, and compliance challenges of tourism establishments certified under the Green Key program in the Algarve. A variety of participating accommodation types, from luxury resorts to B&Bs and campsites, demonstrates the widespread commitment to sustainability in the region. Participants reported a broad range of benefits associated with Green Key certification, including enhanced reputation, improved environmental performance, increased customer loyalty, and better market positioning.

These results align with existing literature. For instance, Luo et al. (2019) highlight the positive effects of green certifications on resource conservation, pollution reduction, cost savings, and strengthened Corporate Social Responsibility (CSR). Similarly, Font and McCabe (2017) point to sustainability as a competitive advantage, while Rodríguez-García et al. (2023) show how green labels improve brand image and meet rising consumer expectations. Langgat et al. (2023) further emphasize sustainability's strategic importance for hospitality operations, noting gains in efficiency and customer loyalty.

Despite the benefits, some establishments face challenges in fully meeting Green Key criteria, particularly regarding guest information, food and beverage practices, and indoor environmental standards. Besides the risk of greenwashing, high implementation costs, administrative burdens, and staff training difficulties can hinder full compliance and reduce certification effectiveness, as noted by Gunduz Songur et al. (2022). To maximize impact, sustainability certifications must address these barriers along with limited label recognition and guest engagement by enhancing stakeholder support and offering targeted training. Crucially, certifications must maintain credibility through transparent auditing and genuine sustainability commitments. Evolving consumer preferences, especially among younger eco-conscious travelers, and technological advances will continue to influence the future of sustainable hospitality.

Another area for improvement is the inclusion of social sustainability, particularly accessibility for individuals with disabilities. Although Green Key focuses mainly on environmental practices, integrating accessibility standards can foster inclusivity, broaden market appeal, and enhance community engagement. Studies by Olszewski-Strzyżowski (2022), Karatepe et al. (2022), and Dudzic-Gyurkovich et al. (2022) emphasize the importance of universal design and the role of inclusive tourism in boosting equity and guest satisfaction. Feedback from participants also indicated a desire for stronger year-round support and more visible recognition of outstanding performers.

5.2 Practical Implications

The findings also have important practical implications for tourism stakeholders. Feedback from participants indicated a desire for stronger year-round support and more visible recognition of outstanding performers.

A recent book chapter discusses how sustainable tourism practices in the Algarve have positively affected natural resources, the economy, urban planning, safety, and monitoring. The adoption of innovative and eco-friendly measures has led to reduced environmental degradation, preservation of natural resources, economic growth, job creation, and improved tourist safety, thereby enhancing the region's reputation as a responsible destination. The chapter emphasizes the importance of collaboration among stakeholders, policymakers, and researchers to promote sustainable tourism development and protect local communities and cultural heritage for future generations (Martins & Correia, 2024). In addition, regional policy frameworks such as the Portuguese Operational Programme for Sustainability and Efficient Use of Resources (POSEUR), supported by EU Cohesion Policy funds, play a significant role in shaping sustainability efforts in the Algarve. Valente and Medeiros (2022) found that while POSEUR had a limited impact on most sustainability dimensions in the Algarve, it showed notable effectiveness in supporting climate change adaptation strategies. This suggests that despite existing policy support, the adoption and impact of certifications like Green Key may be constrained by broader economic and implementation challenges. Strengthening the coordination between certification initiatives and regional policies could enhance the overall sustainability outcomes in the region.

6. Conclusion

In conclusion, the Green Key certification continues to serve as a valuable tool for enhancing sustainability within the tourism industry. However, for it to reach its full potential, a more holistic and inclusive approach is needed, one that combines environmental performance with social responsibility and practical support. With strategic guidance, stronger stakeholder collaboration, and attention to evolving consumer expectations, certifications like Green Key can not only boost environmental outcomes but also foster equity, accessibility, and long-term competitiveness. By addressing current limitations and aligning more closely with both local policy frameworks and global sustainability goals, Green Key has the potential to play a pivotal role in shaping a more sustainable and equitable future for the hospitality sector.

ACKNOWLEDGEMENTS

This paper is financed by National Funds provided by FCT - Foundation for Science and Technology through project UID/04020/2025 (CinTurs) with DOI https://doi.org/10.54499/UID/04020/2025.

REFERENCES

ABAAE (Associação Bandeira Azul da Europa). (2021). *Green Key: Promoting sustainability in the hospitality sector*. ABAAE Official Website. Retrieved October 20, 2024, from http://abae.pt

Alhassan, F., Adama, L., & Cowther, S. (2024). Impact of green certification on customer satisfaction, mediated by perceived hotel quality. *Journal of Social Responsibility, Tourism and Hospitality*, 46, 42-51. https://doi.org/10.55529/jsrth.46.42.51

Ben Youssef, A., & Zeqiri, A. (2022). Hospitality Industry 4.0 and Climate Change. *Circular Economy and Sustainability*, 2, 1043–1063. https://doi.org/10.1007/s43615-021-00141-x

Bianco, S., Bernard, S., & Singal, M. (2023). The impact of sustainability certifications on performance and competitive action in hotels. *International Journal of Hospitality Management*, 108, Article 103379. https://doi.org/10.1016/j.ijhm.2022.103379

Buckley, R. (2012). Sustainable tourism: Research and reality. *Annals of Tourism Research, 39*(2), 528-546. https://doi.org/10.1016/j.annals.2012.02.001

Chan, J. K. L., Marzuki, K. M., & Mohtar, T. M. (2021). Local community participation and responsible tourism practices in ecotourism destinations: A case of Lower Kinabatangan, Sabah. *Sustainability, 13*(23), Article 13302. https://doi.org/10.3390/su132313302

Chi, C. G., Chi, O. H., Xu, X., & Kennedy, I. (2022). Narrowing the intention-behavior gap: The impact of hotel green certification. *International Journal of Hospitality Management*, 107, Article 103305. https://doi.org/10.1016/j.ijhm.2022.103305

Dias, F., Lavaredas, A. M., & Esteves, P. (2024). What is the value of an environmental certification label in the tourism industry? Is it worth the effort? *Sustainability, 16*(19), Article 8587. https://doi.org/10.3390/su16198587

Dudzic-Gyurkovich, K., Duarte, C. M., & Poklewski-Koziełł, D. (2022). Accessibility of urban green spaces in the city: review of selected methodologies for measuring accessibility indices. *Teka Komisji Urbanistyki i Architektury Oddziału Polskiej Akademii Nauk w Krakowie*, 67-86.

Durmuş Şenyapar, H. N. (2024). Unveiling Greenwashing Strategies: A Comprehensive Analysis of Impacts on Consumer Trust and Environmental Sustainability. *Journal of Energy Systems*, 8, 164–181. https://doi.org/10.30521/jes.1436875

EarthCheck. (2024). *Sustainable tourism certification & benchmarking*. Retrieved January 14, 2025, from https://www.earthcheck.org

Ekka, B., Das, G., Aarif, M., & Alalmai, A. (2023). Unveiling the significance of sustainability in tourism: Environmental conservation, socioeconomic development, and destination resilience. *Rivista Italiana di Filosofia Analitica Junior, 14*(1).

Elzek, Y., Gaafar, H., & Abdelsamie, H. (2021). The impact of green innovation on sustainability performance in travel agencies and hotels: The moderating role of environmental commitment. *International Journal of Hospitality & Tourism Systems, 14*(2), 1-14.

Font, X., & McCabe, S. (2017). Sustainability and marketing in tourism: Its contexts, paradoxes, approaches, challenges and potential. *Journal of Sustainable Tourism, 25*(7), 869–883. https://doi.org/10.1080/09669582.2017.1301721

FEE (Foundation for Environmental Education). (2021). *Blue Flag Programme*. Foundation for Environmental Education Official Website. Retrieved October 17, 2024, from https://www.blueflag.global

Futagami, M., & Kumara, T. (2022). Sustainable tourism certification and ecolabels: A systematic review of the literature. *Journal of the Faculty of Foreign Studies*, 5, 1-22.

GSTC (Global Sustainable Tourism Council). (2016). *Global sustainable tourism criteria for destinations*. GSTC. Retrieved November 4, 2024, from https://www.gstcouncil.org/gstc-criteria/

Green Key. (2024). *ClimACT Campaign: Advancing climate action through sustainable tourism practices*. Green Key and Blue Flag Joint Announcement. Retrieved October 25, 2024, from https://www.greenkey.global/climact-2024

Gunduz Songur, A., Turktarhan, G., & Cobanoglu, C. (2023). Progress on green technology research in hotels: A literature review. *Journal of Hospitality and Tourism Insights, 6*(5), 2052-2072. https://doi.org/10.1108/JHTI-10-2021-0280

International Organization for Standardization. (2025). ISO 14001: Environmental management systems. Retrieved January 14, 2025, from https://www.iso.org

Kang, K. H., Stein, L., Heo, C. Y., & Lee, S. (2012). Consumers' willingness to pay for green initiatives of the hotel industry. *International Journal of Hospitality Management, 31*(2), 564-572. https://doi.org/10.1016/j.ijhm.2011.08.001

Karatepe, T., Ozturen, A., Karatepe, O. M., Uner, M. M., & Kim, T. T. (2022). Management commitment to the ecological environment, green work engagement and their effects on hotel employees' green work outcomes. *International Journal of Contemporary Hospitality Management, 34*(8), 3084-3112. https://doi.org/10.1108/IJCHM-10-2021-1242

Langgat, J., Ramdani, B., Pavic, S., & Tok, E. (2023). Environmentally sustainable practices and hotel performance: Evidence from Malaysia. *Sustainability, 15*(6), Article 5289. https://doi.org/10.3390/su15065289

Luo, J. M., & Fan, Y. (2019). The impact of green certification to hotel green practices: A case study on the Green Hotel Award in Macau. *Journal of Hospitality, 1*(3-4), 121-135. http://htmjournals.com/jh/index.php/jh/article/view/14

Martins, C., Alves, J. M. A., & Silva, A. (2023). Determinants of environmental certification in Portuguese hotel companies. *European Journal of Tourism, Hospitality and Recreation*, *13*(2), 225-235. https://doi.org/10.2478/ejthr-2023-0018

Martins, P., & Correia, A. (2024). Beyond sun and sand: How the Algarve region is pioneering innovative sustainable practices in tourism. In *From Overtourism to Sustainability Governance* (1st ed., pp. 47–55). Routledge. https://doi.org/10.4324/9781003365815-8

Mason, M. (2010). Sample Size and Saturation in PhD Studies Using Qualitative Interviews. *Forum: Qualitative Social Research, 11*(3). https://doi.org/10.17169/fqs-11.3.1428

McLoughlin, E., Hanrahan, J., & Duddy, C. (2023). Barriers to sustainable tourism: The role of policy and training in local contexts. *Journal of Sustainable Tourism, 31*(1), 45–61.

Myung, E., McClaren, A., & Li, L. (2012). Environmental management practices in the hotel industry. *Journal of Hospitality Marketing & Management, 21*(2), 146-166. https://doi.org/10.1080/19368623.2011.615018

Olszewski-Strzyżowski, D. J., Pasek, M., & Lipowski, M. (2022). Perspectives for Tourism Development in the Post-Pandemic Period in the Opinions of University Students. *Sustainability, 14*(24), Article 16833. https://doi.org/10.3390/su142416833

Qubbaj, A. I. S., Peiró-Signes, Á., & Najjar, M. (2023). The effect of green certificates on the purchasing decisions of online customers in green hotels: A case study from Saudi Arabia. *Sustainability, 15*(7), Article 5892. https://doi.org/10.3390/su15075892

Rodríguez-García, R., Ferrero-Ferrero, I., & Izquierdo, M. Á. F. (2023). Analysis of integration of sustainability in sustainability certifications in the hotel industry. *Frontiers in Sustainability*, 4. https://doi.org/10.3389/frsus.2023.1116359

Shereni, N. C., Saarinen, J., & Rogerson, C. M. (2023). Sustainability drivers and challenges in the hospitality sector in Zimbabwe. *Tourism: An International Interdisciplinary Journal, 71*(3), 492-504. https://doi.org/10.37741/t.71.3.4

UNEP/WTO - United Nations Environment Programme and World Tourism Organization. (2005). *Making tourism more sustainable: A guide for policymakers*. Retrieved February 2, 2025, from http://www.unep.fr/shared/publications/pdf/DTIx0592xPA-TourismPolicyEN.pdf

UNWTO. (2019). *Sustainable development of tourism*. United Nations World Tourism Organization. Retrieved November 26, 2024, from https://www.unwto.org/sustainable-development

U.S. Green Building Council. (2025). LEED – Leadership in Energy and Environmental Design. Retrieved January 14, 2025, from https://www.usgbc.org

Valente, B., & Medeiros, E. (2022). The Impacts of EU Cohesion Policy on Sustainable Tourism: The Case of POSEUR in Algarve. *Sustainability, 14*(19), Article 12672. https://doi.org/10.3390/su141912672

Velaoras, G., Stylidis, D., & Kasim, A. (2024). Eco-certifications and their role in sustainable tourism practices: A global analysis. *Tourism Management*, 98, Article 104851.

Velaoras, K., Menegaki, A. N., Polyzos, S., & Gotzamani, K. (2025). The Role of Environmental Certification in the Hospitality Industry: Assessing Sustainability, Consumer Preferences, and the Economic Impact. *Sustainability, 17*(2), Article 650. https://doi.org/10.3390/su17020650

Viglia, G., & Acuti, D. (2023). How to overcome the intention–behavior gap in sustainable tourism: Tourism Agenda 2030 perspective article. *Tourism Review, 78*(2), 321-325. https://doi.org/10.1108/TR-07-2022-0326

Wu, H., Wang, W., Tao, Y., Shao, M., & Yu, C. (2024). Understand the Chinese Z generation consumers' green hotel visit intention: An extended theory of planned behavior model. *Heliyon*, 10, e25067. https://doi.org/10.1016/j.heliyon.2024.e25067

Xing, W. (2024). Sustainable tourism: Pathways to environmental preservation, economic growth, and social equity. *Applied and Computational Engineering*, 66, 166-171.

Zheng, S., Han, J., Gandolfi, F., Alturise, F., & Alkhalaf, S. (2025). Fostering eco-conscious tourists: How sustainable marketing drives green consumption behaviors. *Acta Psychologica*, 255, Article 104900. https://doi.org/10.1016/j.actpsy.2025.104900

ORCID

Eleonora Biassoli https://orcid.org/0009-0003-9091-7559

Manuela Pires Rosa https://orcid.org/0000-0001-5017-6408

Valentina Tocchioni https://orcid.org/0000-0002-0793-6122

Notes on contributors

Eleonora Biassoli is a graduate student in the field of sustainable development of tourism. Her research interests include environmental management and sustainable practices in the tourism industry.

Manuela Pires Rosa graduated in Civil Engineering in 1984 (Instituto Superior Técnico – Universidade de Lisboa), she got her M.Sc. Renovation of Architectural and Landscape Heritage in 1995 (Universidade de Évora) and Ph.D. Spatial Planning and Environmental Strategies in 2004 (Universidad de Sevilla). She is a coordinator professor at the Institute of Engineering - University of Algarve, where she lectures on sustainability. She coordinated Research Project ACCES4ALL - Accessibility for all in Tourism and she co-coordinated the Project SuSTowns – Enhancing Sustainable Tourism in Small Fascinating Med Town (2021-2022).

Valentina Tocchioni is a professor in Social Statistics. Her current research focuses on fertility and family formation practices, examining their interrelation with employment and housing uncertainties, childlessness, the sexual lives of youth, higher education, and gender issues.

JOURNAL OF TOURISM,
SUSTAINABILITY AND WELL-BEING

2026, VOL. 14, NO. 2, 89-110
ISSN: 2795-5044 | https://doi.org/10.34623/bcp7-pr49

Short-term Rentals in the Algarve: Reshaping the Tourism Landscape

Cláudia Ribeiro de Almeida [1]
Andrei Bezruchonak [2]

1. University of the Algarve, School of Management, Hospitality and Tourism, Faro, Portugal
2. Belarusian State University, Faculty of Geography and Geoinformatics, Minsk, Belarus

ABSTRACT

This study examines how short-term rentals are reshaping tourism and housing in the Algarve, Portugal's most tourism-dependent and highly seasonal non-metropolitan region. Using municipal data from the National Registry of Tourism, TravelBI, and Eurostat overnight stays, and Idealista housing prices, we combine Tourist Intensity and Tourist Density with sale and rental price indicators to identify municipalities facing the highest tourism–housing pressures. Results show a pronounced coastal concentration of short-term rentals, particularly in Albufeira, Loulé, Lagos, and Portimão, municipalities which also hold most of the region's formal accommodation capacity, while inland municipalities remain marginal. The highest-intensity and highest-density destinations record the steepest increases in sales and rental prices. Apartments dominate both formal accommodation and short-term rentals in these municipalities, intensifying competition for residential housing. The findings highlight the need to integrate short-term rentals into coherent accommodation, housing, and land-use governance. Targeted measures are required in saturated coastal municipalities to manage seasonal peaks and housing stress, while inland areas offer opportunities for carefully managed diversification supported by investment and governance capacity. Conceptually, the study reframes short-term rentals in tourism-dependent regions as mechanisms of cumulative saturation that intensify pre-existing tourism and housing pressures rather than redistributing them spatially.

KEYWORDS

Short-term Rentals, Tourism Governance, Housing Pressure, Platform Economy, Tourist Intensity, Tourist Density.

ARTICLE HISTORY

Received 19 September 2025 Accepted 22 March 2026

CORRESPONDING AUTHOR CONTACT Cláudia Ribeiro de Almeida calmeida@ualg.pt School of Management, Hospitality and Tourism, University of the Algarve, Faro, Portugal

1. Introduction

The rapid expansion of short-term rentals has become one of the most significant transformations affecting contemporary tourism systems and housing markets. Initially promoted as part of the sharing economy, short-term rental platforms were framed as mechanisms for more efficient use of existing housing stock, allowing residents to supplement their income while offering tourists flexible, personalised accommodation options. Over time, however, these platforms have evolved into a highly professionalised and profit-oriented sector, increasingly dominated by large-scale investors and global intermediaries such as Airbnb and Booking.com. This evolution has generated growing concern regarding its implications for housing affordability, land use, and socio-spatial inequality (Gutiérrez et al., 2017; Cocola-Gant et al., 2021; Aguilera et al., 2021).

A substantial body of literature has documented the relationship between the proliferation of short-term rentals and rising housing prices, reduced long-term rental supply, and residential displacement, particularly in destinations characterised by strong tourist demand (Wachsmuth & Weisler, 2018; Celata & Romano, 2022). These dynamics are increasingly interpreted through the lens of housing financialisation, whereby residential property is transformed into a financial asset integrated into global tourism and investment circuits rather than serving primarily as a place of residence (Fields & Uffer, 2016; Cocola-Gant & Gago, 2021).

In the European context, empirical research has focused predominantly on large metropolitan areas and historic urban centres such as Barcelona, Lisbon, and Paris. In these settings, the growth of platform-mediated accommodation has been associated with processes of touristification, gentrification, and the displacement of resident populations (Sequera & Nofre, 2020). More recent studies have extended this analysis to coastal and island destinations in Southern Europe, including the Balearic Islands and Mediterranean regions, where short-term rentals have been shown to reinforce existing tourism geographies, intensify seasonality, and exacerbate governance challenges (Müller et al., 2021; de la Osada Saurí & Ribeiro de Almeida, 2023; Martinez-Garcia et al., 2024).

Despite these advances, several gaps remain in the literature. First, highly tourism-dependent regions outside major metropolitan areas have received comparatively limited attention, despite their heightened exposure to seasonal demand, infrastructural saturation, and housing market volatility. Second, much of the existing research examines short-term rentals in isolation, rather than situating them within the broader accommodation system that encompasses formal tourism establishments such as hotels, resorts, and tourist apartments. Third, although tourism pressure indicators such as Tourist Intensity and Tourist Density are widely used in sustainability and overtourism research, they are seldom combined with housing market data to assess cumulative territorial pressures at a fine spatial scale.

The Algarve, Portugal's southernmost region, provides a particularly relevant context for addressing these gaps. As the country's most tourism-dependent region, it combines a highly developed coastal tourism belt with inland municipalities characterised by lower population density, weaker economic diversification, and persistent demographic decline. Tourism activity is strongly seasonal and spatially concentrated, producing marked contrasts between coastal and inland areas. In this context, short-term rentals do not merely expand tourism supply; rather, they interact with existing accommodation structures, housing markets, and land-use patterns in ways that have significant implications for housing accessibility, territorial inequality, and local governance capacity.

The study is guided by three research questions: (1) How are short-term rentals distributed across municipalities with different tourism and territorial profiles? (2) How do tourism pressure indicators intersect with real estate dynamics to reveal zones of vulnerability? (3) How do seasonal fluctuations in tourism demand shape territorial pressures in a tourism-dependent region?

This paper shows that, in a dual accommodation system, short-term rentals operate as mechanisms of cumulative saturation that reinforce coastal–inland inequalities through combined tourism and housing pressures.

By adopting an integrated and spatially sensitive approach, this research advances understanding of short-term rentals beyond urban-centric analyses and highlights their role in reshaping highly tourism-dependent regions. The findings contribute to academic debates on tourism sustainability, housing financialisation, and spatial justice, while also providing empirical insights to inform policy discussions on destination governance, housing regulation, and sustainable territorial planning.

2. Literature Review

Initially embraced as a grassroots innovation within the sharing economy, the short-term rental phenomenon has grown into a powerful force reshaping tourism, housing markets, and everyday urban life. What began as a flexible way for homeowners to earn additional income and for travellers to access more personal, often affordable accommodation is now widely understood as a key mechanism through which housing financialisation and spatial inequality are intensified (Cocola-Gant et al., 2021; Cocola-Gant & Gago, 2021; Garha & Botelho Azevedo, 2022; Siatitsa et al., 2025). This evolution has prompted a wave of critical scholarship examining the socio-economic and territorial consequences of its rapid spread.

2.1 From sharing to extraction: the transformation of short-term rentals

Building on the sector's rapid expansion outlined in the introduction, recent scholarship emphasises a clear shift from decentralised, peer-to-peer hospitality to professionalised, profit-oriented business models. In many destinations, this transition has been driven by investors and property management companies seeking to maximise returns, often through practices that remove housing from the long-term rental market.

In Lisbon, for example, entire buildings have been acquired for exclusive tourist use, accelerating displacement and reshaping neighbourhoods (Cocola-Gant & Gago, 2021). This dynamic, often referred to as rental extractivism, treats housing primarily as a financial asset rather than a place of residence, thereby embedding it within the global tourism economy (Crowley & Huddart, 2023). Comparable patterns emerge across European cities, such as Barcelona, Paris, and Milan, where responses vary depending on local politics, regulatory capacity, and the strength of grassroots mobilisation (Aguilera et al., 2021).

Beyond major urban centres, rural and peripheral areas have also experienced tourism-driven restructuring. In Pollença, Majorca (Spain), a coalition of local rentiers has influenced planning rules in favour of short-term rentals, while in Thessaloniki (Greece), professionalisation has sparked gentrification in previously affordable districts (Katsinas, 2021; Müller et al., 2021). These cases illustrate that short-term rentals are not a marginal feature of tourism systems but a central force in reorganising housing markets, land use, and community life.

2.2 Territorial concentration and socio-spatial differentiation

The spatial distribution of short-term rentals is far from arbitrary. A substantial body of empirical research shows that these units tend to cluster in neighbourhoods high in tourist demand and rich in symbolic, aesthetic, and cultural value (Gutiérrez et al., 2017). In cities such as Lisbon and Barcelona, the density of short-term rentals has at times surpassed that of formal tourism accommodation, especially in areas like Alfama and the Eixample. These concentrations have fuelled what Sequera and Nofre (2020) describe as processes of super-gentrification, where not only long-established working-class communities but also earlier waves of gentrifiers are displaced, making way for transient populations governed by digital platform logics. However, the cumulative impact on housing access, public services, and residents' lived experience must also be considered.

Comparable transformations have been observed in Valencia, where short-term rental growth in central and waterfront districts has produced highly uneven spatial outcomes. Neighbourhoods such as Ciutat Vella and El Cabanyal have experienced sharp increases in property prices and growing social tensions, suggesting that these platforms serve not only as accommodation infrastructure but also as drivers of territorial change (de la Osada Saurí & Pitarch-Garrido, 2021). These developments are not confined to large urban centres. De la Osada Saurí, Ribeiro de Almeida, and Pitarch-Garrido (2023), examining southern Portugal and eastern Spain, observe that tourism investment and infrastructure remain heavily concentrated along the coastline, reinforcing regional imbalances. While inland and peri-urban areas may undergo subtler transformations, they are nonetheless subject to speculative pressures and shifting land-use patterns.

These studies suggest that short-term rentals are not a neutral or peripheral feature of contemporary tourism geographies. Instead, they operate as agents of structural transformation that reflect and reinforce wider territorial inequalities. Whether in historic urban districts, coastal resorts or rural hinterlands, their proliferation often surpasses the capacity of public authorities to respond effectively. This calls for a more place-sensitive and contextually grounded approach to governance that recognises platform-mediated tourism's differentiated impacts across varied spatial and social landscapes.

2.3 Governance Challenges and Data Gaps

The regulation of short-term rentals across Europe has emerged as a central challenge in contemporary urban and regional governance. The sector's rapid growth has frequently outpaced public institutions' capacity to design and implement timely, effective regulatory responses. Local governments often lack the legal instruments, institutional resources, or intergovernmental coordination to manage the complex intersections between housing, tourism, and spatial planning. Nieuwland and van Melik (2020) observed that regulatory efforts tend to be fragmented, reactive, and shaped more by short-term political pressures than strategic planning frameworks.

Portugal's Extraordinary Contribution on Local Accommodation (CEAL), introduced in 2023, illustrates the regulatory volatility surrounding short-term rentals. Conceived as a corrective tax to address cumulative tourism and housing pressures in saturated areas, the measure imposed additional financial obligations on operators. Its rapid implementation, combined with limited stakeholder engagement and weak communication, generated confusion, widespread opposition, and a surge in deregistration (Petronilho, 2023; Ribeiro, 2023). The subsequent repeal of CEAL within a short timeframe underscores the sector's sensitivity to unstable and reactive regulatory frameworks.

Similar governance tensions are evident elsewhere in Europe. In the Balearic Islands, Martinez-Garcia et al. (2024) highlight how insufficient monitoring mechanisms have allowed short-term rentals to expand with minimal oversight, obscuring their long-term social and environmental consequences. These cases suggest that the problem is not merely one of legislation, but of institutional capacity and political will. Even when formal frameworks exist, their implementation is often fragmented, under-resourced, or vulnerable to changes in leadership and public opinion.

One of the most persistent structural barriers to effective governance is the lack of accurate, disaggregated, and timely data. In many countries, official administrative registries underrepresent the accurate scale of short-term rental activity, often due to restrictive methodological definitions or regional inconsistencies. National statistical agencies often exclude smaller or less commercially active listings based on occupancy or capacity thresholds, resulting in significant blind spots in the data landscape. Although recent data-sharing agreements between Eurostat and major platforms such as Airbnb, Booking.com, Expedia, and Tripadvisor have improved access to high-level figures, the data provided remains aggregated and lacks the spatial detail required for meaningful local regulation. In effect, many municipalities are forced to intervene without adequate diagnostic tools, resulting in policies that either arrive too late or fail to address the areas most affected.

In response to these limitations, researchers have proposed more spatially sensitive instruments. De la Osada Saurí and Pitarch-Garrido (2025) advocate for adopting zoning mechanisms that enable differentiated regulatory strategies in areas experiencing high levels of tourism and housing pressure, as observed in their study of Valencia. When combined with diagnostic frameworks, such as saturation indices, these tools enable a more proportionate and targeted approach to short-term rental governance, tailored to the specific conditions of each locality. However, effective governance also demands a broader rethinking of policy priorities. Farinha et al. (2021) argue that sustainable tourism cannot be reduced to technical performance indicators or abstract best practices. Instead, it must be rooted in inclusive, place-based planning processes that incorporate the perspectives of diverse local actors, including residents, small businesses, policymakers, and environmental advocates. Particularly in rural or low-density contexts, sustainability must be understood not only economically but also as a question of spatial justice, community resilience, and long-term social cohesion.

The governance of short-term rentals thus reveals more profound institutional tensions. As Siatitsa et al. (2025) contend, the uneven sector regulation reflects more profound structural inequalities shaped by austerity policies, the erosion of public planning, and the growing influence of private capital. From this perspective, the expansion of short-term rentals is not simply the result of regulatory inertia, but rather part of a broader process of commodification, financialization, and the state's gradual retreat from housing provision as a public responsibility.

These insights underscore the need for a paradigmatic shift in how short-term rentals are governed. Without sustained investment in data infrastructure, intergovernmental coordination, and long-term regulatory coherence, public authorities will remain ill-equipped to mitigate the externalities generated by the platform economy. As illustrated in various European contexts, reactive, piecemeal measures are insufficient to address the short-term rental sector. Instead, it must be understood as part of a broader reconfiguration of urban and regional development, with implications for equity, sustainability, and the right to housing.

3. Methodology

3.1 Data Sources

This study examines the spatial distribution of short-term rentals and formal tourism accommodation in the Algarve and assesses their impacts on the regional housing market. The analysis draws on a combination of secondary data sources collected in July 2025, covering registered short-term rentals and tourism accommodation as of 31 December 2024 (see Table 1).

Table 1. Data sources used in the research

Dataset	Source	Spatial coverage	Temporal coverage	Main variables
RNAL	Registo Nacional de Turismo (2025a)	Municipal	Up to Dec 2024	Number of Short-term rental units, typology, capacity (beds)
RNET	Registo Nacional de Turismo (2025b)	Municipal	Up to Dec 2024	Number of formal tourism accommodation, typology, capacity (beds)
PORDATA	PORDATA (2025)	Municipal	2024	Resident population
TravelBI	TravelBI (2025)	Municipal	Monthly and annual, 2015–2024	Overnight stays
Eurostat	Eurostat (2025)	Regional	Monthly and annual, 2015–2024	STR overnight stays
Idealista	Idealista (2025)	Municipal	Monthly, 2015–2025	Property sale and rental prices

Source: Own elaboration

All datasets used are derived from publicly accessible sources. The National Registry of Tourism, PORDATA, TravelBI, and Eurostat provide open-access statistical data, while housing price data from Idealista are based on publicly advertised listings and aggregated price indices, used for academic research purposes in accordance with the platform's data access policies.

The primary dataset was obtained from the National Registry of Tourism, which comprises two components: the RNAL, Portugal's official registry of short-term rental properties (Registo Nacional de Turismo, 2025a), and the RNET, which records formal tourism accommodation such as hotels, guesthouses, tourist apartments, and rural tourism units (Registo Nacional de Turismo, 2025b). These registries provide structural details on typology, number of rooms and beds, and geographic location, available at parish and municipal levels. This study uses municipal aggregation. This dataset enables a comprehensive, spatially nuanced comparison of platform-based and traditional accommodation models, focusing on their scale, spatial distribution, and ownership concentration.

The second core data source is PORDATA (2025), which provides detailed municipal-level demographic data on the Algarve's population in 2024, essential for calculating tourism intensity and density.

The third core source is the Idealista property platform, which provides monthly average housing sale and rental prices per square metre at the municipal level in Portugal since January 2015. This dataset enables both temporal and spatial analyses of real estate dynamics, offering valuable insights into how tourism activity and investment pressures shape housing affordability and market trajectories. To complement these series, monthly rental prices for 1,242 listings in the Algarve were collected in June 2025 and mapped using GIS, producing a detailed geographic snapshot of short-term rental values and reinforcing evidence of their spatially unequal distribution. Idealista's price index is based on advertised asking prices for properties listed on its platform, updated monthly and weighted by typology and location. While these values reliably capture market trends, they may not fully reflect realised transaction prices. Compared with other platforms such as Fotocasa or Imovirtual, Idealista offers the longest-running and most geographically comprehensive dataset for Portugal, which justifies its use in this study. Nonetheless, as with all platform-based indices, inherent limitations exist and are explicitly acknowledged in the study's limitations section.

To complement the collected data and better evaluate the spatial dynamics and pressures associated with tourism activity in the region, two additional indicators were calculated: Tourist Intensity and Tourist Density. For this in-depth analysis, multiple datasets were combined to estimate the distribution of overnight stays at the municipal level. TravelBI (2025) provides monthly and annual figures on overnight stays by municipality, offering a detailed picture of local dynamics. To capture the role of short-term rentals more specifically, these municipal data were cross-referenced with Eurostat (2025) statistics for the Algarve at the NUTS II level as of December 2024, which reflect the overall volume of stays in short-term rental establishments. By extrapolating from regional Eurostat data and calibrating it against municipal patterns identified in TravelBI, the authors estimated the monthly and annual numbers of overnight stays attributable to short-term rentals for each municipality. These figures were then contextualised with official land area data, allowing for the calculation of tourist density and intensity indicators that highlight spatial disparities across the Algarve. The application of these measures, presented in the following section, enables the identification of municipalities where formal tourism accommodation exerts disproportionate pressure on local populations and territory. The proportional allocation assumes that the municipal distribution of total overnight stays approximates the municipal distribution of short-term rentals overnight stays for the same period.

A spatially oriented methodology is particularly suitable for this research. GIS-based territorial analysis is a widely recognised approach in tourism geography and urban studies (Gutiérrez et al., 2017; Antunes & Ferreira, 2021), as it enables the identification of clustering patterns, coastal–inland disparities, and housing–tourism overlaps that purely statistical approaches would obscure. In the Algarve, where pressures are strongly uneven across municipalities, a geographically sensitive framework provides a more robust diagnosis of tourism–housing interdependencies.

3.2 Tourist Intensity and Tourist Density

To provide a more robust analysis, two widely used indicators were calculated to assess the spatial and demographic pressures exerted by tourism in the Algarve region: *Tourist Intensity* and *Tourist Density*. Both metrics are valuable for identifying territorial imbalances and localised saturation patterns resulting from tourism activity. Their use is well-established in tourism geography and policy analysis, particularly in contexts affected by over-tourism or seasonal concentration of visitors (Fernandes et al., 2020).

Tourist Intensity measures the pressure of tourism on the resident population. It is defined as the ratio of overnight stays to the municipality's permanent resident population. In this study, the indicator was calculated using monthly and annual overnight stay data from TravelBI (2025), combined with estimates of short-term rental overnight stays from Eurostat (2025) as of December 2024.

Following the methodology proposed by Algarve Tourism Board, University of the Algarve, Algarve Regional Coordination and Development Commission, and Turismo de Portugal (2024), the formula applied is:

$$\text{Tourist Intensity} = \frac{\textit{Total Overnight Stays}}{\textit{Resident Population}}$$

This indicator reflects the relative burden of tourism on local infrastructure, services, and housing systems. High values indicate areas where the tourism population significantly exceeds the resident population, especially during peak seasons.

Tourist Density, in contrast, measures tourism pressure relative to a municipality's territorial extent. It reflects the spatial concentration of overnight stays, indicating how intensively tourism activity is distributed across the land area. Following the methodology proposed by Algarve Tourism Board et al. (2024) and using the same data sources applied for the calculation of Tourist Intensity (monthly and annual overnight stays from TravelBI (2025) and short-term rental overnight stays from Eurostat (2025) as of December 2024), this indicator was calculated by dividing the total number of overnight stays in each municipality by the municipality's surface area in square kilometres (km²):

$$\text{Tourist Density} = \frac{\textit{Total Overnight Stays}}{\textit{Land Area}\ (km^2)}$$

These metrics highlight spatial concentration and enable comparison between municipalities of varying sizes. Densely populated areas often face greater environmental and land-use pressures, particularly in coastal zones with limited territorial capacity. Both indicators were computed for: (a) all accommodation types combined, (b) formal tourism accommodation only, and (c) short-term rentals only.

Despite their widespread use, these indicators also have limitations. Tourist Intensity can exaggerate pressures in municipalities with small resident populations, while Tourist Density may overstate concentration effects in municipalities with small land areas. For this reason, both indicators must be interpreted contextually, and we combine them with housing price data to mitigate potential distortions.

3.3 Spatial analysis and GIS mapping

All datasets were integrated in a GIS environment to map short-term rentals and formal tourism accommodation supply, tourist intensity and tourism density, variations in sale and rental prices, and the spatial concentration of high-value rentals.

GIS mapping enables visual comparison between tourism supply patterns and housing market dynamics, thereby contributing to territorial analysis. The spatial analysis was conducted using ArcGIS Pro, a standard software in geography, planning, and tourism studies. GIS applications are particularly effective in tourism geography, as they allow the mapping of accommodation clusters, property price gradients, and spatial overlaps between tourism supply and housing markets.

3.4 Limitations

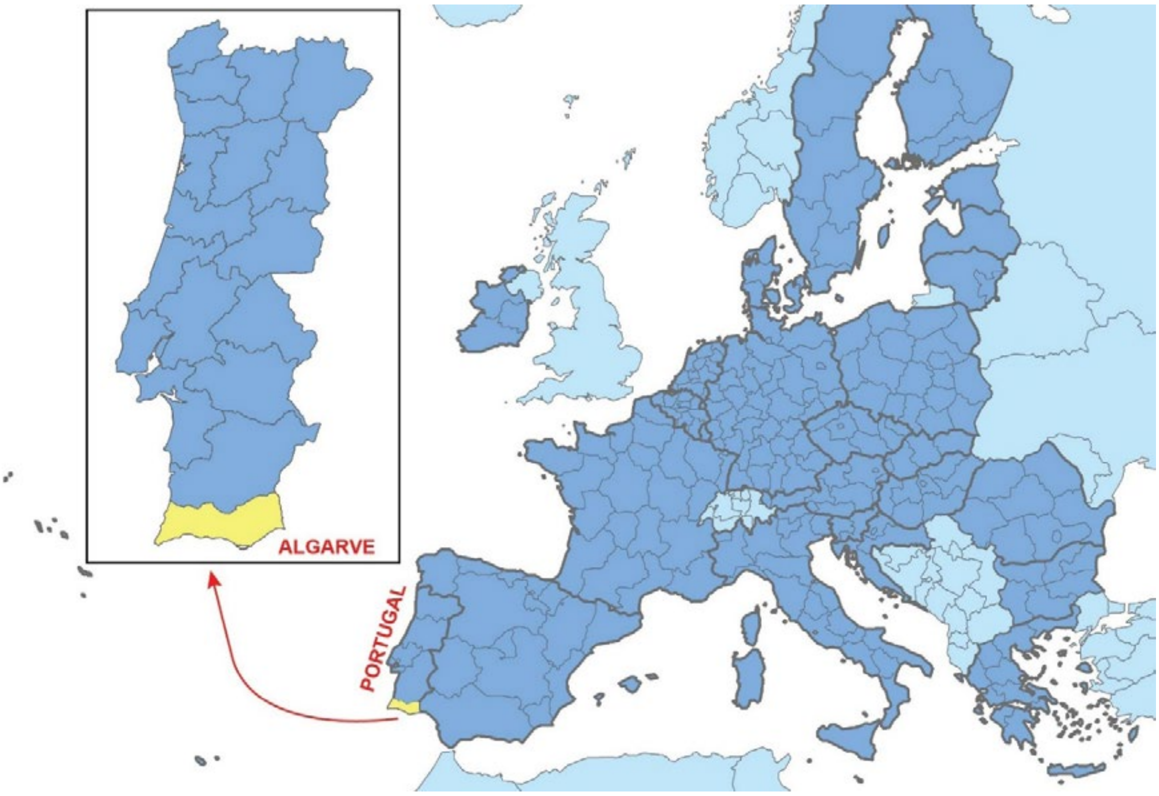
This analysis relies on official registries and statistical sources (RNET, RNAL, TravelBI, PORDATA, Eurostat, Idealista), which are generally considered reliable, although several caveats apply. Both RNET and RNAL are dynamic databases, with entries continuously updated. Therefore, the results reflect data extracted at a specific point in time (July 2025) and may not fully capture short-term fluctuations. While RNET records formal tourism accommodation, ensuring the level of capacity and RNAL count units, the difference in granularity complicates direct comparability. Only officially registered properties are included, leaving informal or unregistered short-term rentals, particularly relevant in rural and peri-urban areas, outside the scope. The allocation of Eurostat's NUTS2-level collaborative-platform nights to municipalities using TravelBI's distribution of total nights assumes spatial proportionality, which may mask local variations. Idealista's rental price series also underwent a methodological revision in 2019, which limits strict comparability; however, the upward trend remains robust. Finally, the study is quantitative and region-specific (Algarve), leaving social dynamics and comparisons with other regions for future research.

4. Results and Discussion

4.1 Coastal Concentration and Cumulative Tourism Pressure

The Algarve is Portugal's southernmost region and the country's most tourism-dependent destination, providing a particularly relevant context for analysing the spatial dynamics of short-term rentals (see Figure 1).

Figure 1. Location of the Algarve in Portugal and in Europe



Source: Own elaboration, based on Eurostat (2024)

Data collected from the National Registry of Tourism reveals a pronounced spatial concentration of short-term rentals in the Algarve. By December 2024, the region accounted for 42,719 active short-term rental registrations, totalling 154,844 beds, representing approximately 38.6% of all active listings nationwide. However, this activity is far from evenly distributed across municipalities.

Short-term rentals are overwhelmingly concentrated in four coastal municipalities, Albufeira, Loulé, Lagos, and Portimão, which together account for 64.0% of all listings and nearly two-thirds of available beds (see Table 2).

Table 2. Number of active registrations and number of beds by municipality in formal tourism accommodation and Short-term Rentals in the Algarve by December 2024

Municipality	Formal Tourism Accommodation		Short-term Rentals	
	Number of establishments	Number of Beds	Number of Short-term Rentals	Number of Beds
Albufeira	153	38,641	9,583	33,451
Alcoutim	6	99	40	171
Aljezur	45	770	1,288	5,083
Castro Marim	17	1,344	457	1,865
Faro	30	2,069	977	4,835
Lagoa	52	9,913	3,580	13,809
Lagos	61	7,750	5,630	21,332
Loulé	77	18,252	6,483	27,387
Monchique	22	753	116	452
Olhão	15	1,073	1,432	5,564
Portimão	60	13,729	5,639	16,479
São Brás de Alportel	4	80	159	682
Silves	20	2,417	2,399	7,182
Tavira	42	3,949	2,711	8,641
Vila do Bispo	22	2,429	1,070	4,051
Vila Real de Santo António	28	5,237	1,155	3,860
Total Algarve	654	108,505	42,719	154,844
Total Portugal	4,505	320,609	110,654	426,273
Share Algarve	14.5%	33.8%	38.6%	36.3%

Source: Own elaboration with data collected through Registo Nacional de Turismo (2025a and 2025b)

By contrast, inland and less tourism-intensive municipalities such as Alcoutim, Monchique, and São Brás de Alportel register only 315 active listings (0.7%) and provide a combined total of 1,305 beds, highlighting a stark coastal–inland divide. This pattern reflects a broader process of coastal concentration of tourism observed across Southern Europe, where tourism development tends to concentrate in already established destinations rather than extending into peripheral areas (de la Osada Saurí & Ribeiro de Almeida, 2023).

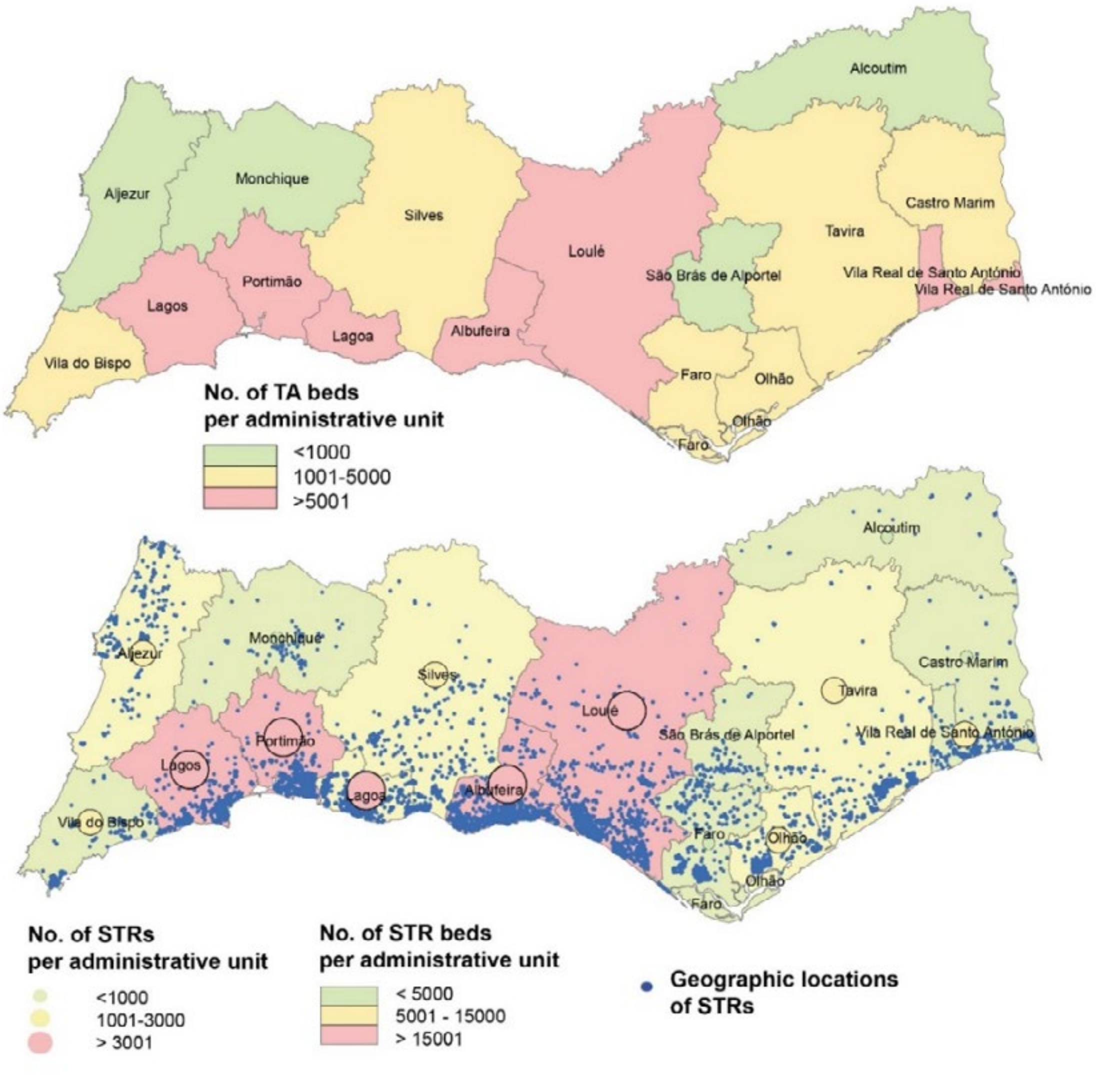
A similar spatial pattern characterises formal tourism accommodation, with over 70,600 of the region's 108,505 beds concentrated in Albufeira, Loulé, and Portimão, reinforcing their dominance within the regional tourism system (see Figure 2).

By the end of 2024, the Algarve offered a total of 263,349 tourism-related beds, of which 58.8% were in short-term rentals and 41.2% in formal tourism accommodation. While this functional convergence reflects the growing integration of platform-based and traditional tourism models, regulatory asymmetries persist. Short-term rentals typically face lower entry barriers, fewer inspections, and lighter fiscal obligations, creating uneven market conditions and complicating territorial planning efforts.

From a governance perspective, the coexistence of these two accommodation systems poses significant challenges. Both compete for limited housing stock, urban land, infrastructure, and seasonal labour, yet operate under distinct regulatory frameworks, leaving municipal authorities to manage overlapping systems that are often poorly aligned with long-term sustainability objectives.

Taken together, these findings indicate that the expansion of short-term rentals in the Algarve follows a cumulative saturation model rather than a dispersive tourism model. Instead of redistributing tourism activity towards less developed inland municipalities, platform-mediated accommodation reinforces pre-existing coastal tourism geographies. This supports comparative evidence in Southern European coastal destinations that platform supply tends to consolidate established tourism corridors rather than create new spatial patterns of demand.

Figure 2. Spatial Distribution of Short-Term Rentals, and Beds in Short-Term Rentals and formal tourism accommodationby Municipality in the Algarve



Source: Own elaboration with data from Registo Nacional de Turismo (2025a and 2025b) and TravelBI (2025)

4.2 Typology of accommodation and housing transformation

The typology of short-term rental accommodation in the Algarve reveals marked patterns that mirror the region's territorial characteristics and housing dynamics. According to the Registo Nacional de Turismo (2025a), by December 2024, apartments accounted for 63.6% of all registered units in the Algarve, while villas accounted for 32.6% (see Table 3). These figures conceal important spatial distinctions shaped by tourism demand, urban structure, and local development trajectories.

Apartments dominate the short-term rental landscape in the Algarve's more urbanised and tourism-intensive coastal municipalities. In Portimão, apartments represent 86.3% of all listings, followed by Albufeira (70%) and Vila Real de Santo António (69.5%). This prevalence reflects the dense, apartment-based housing stock in these areas and a tourism model focused on short stays and high guest turnover. Their predominance also aligns with investor strategies favouring medium-density, flexible accommodation and is rooted in the Algarve's historical development of apartment-based tourist complexes, particularly during the expansion of self-catering tourism in the 1980s.

By contrast, villas dominate in more rural or inland municipalities. In Alcoutim, villas account for 87.5% of short-term rental units, with similarly high proportions in São Brás de Alportel (86.4%) and Monchique (69.6%). These patterns are closely linked to lower urban density, the availability of detached housing, and tourism models that emphasise tranquillity, nature, and privacy.

Table 3. Number of Short-term Rental registrations by typology and municipality in the Algarve (December 2024)

Municipality	Apartments	Lodging Establishments	Hostels	Villas	Rooms	Total
Albufeira	6,695	44	10	2,811	23	9,583
Alcoutim	1	4	0	35	0	40
Aljezur	283	123	10	844	28	1,288
Castro Marim	203	5	0	248	1	457
Faro	362	178	25	365	47	977
Lagoa	1,735	38	1	1,772	34	3,580
Lagos	3,656	285	32	1,556	101	5,630
Loulé	4,015	67	7	2,354	40	6,483
Monchique	13	18	0	81	4	116
Olhão	707	49	2	642	32	1,432
Portimão	4,864	47	17	671	40	5,639
São Brás de Alportel	3	12	0	137	7	159
Silves	1,636	14	5	712	32	2,399
Tavira	1,866	36	0	773	36	2,711
Vila do Bispo	346	85	14	580	45	1,070
Vila Real de Santo António	804	15	4	330	2	1,155
Total	27,189	1,020	127	13,911	472	42,719
Share of each typology	63.6%	2.4%	0.3%	32.6%	1.1%	100%

Source: Own elaboration using data from Registo Nacional de Turismo (2025a)

Beyond architectural form, accommodation typologies also signal deeper processes of housing transformation. In urban and coastal areas, apartments previously used for long-term rental or permanent residence are increasingly absorbed into the tourism economy, either through individual landlord decisions or through large-scale operations managed by professional property management companies. In both cases, the outcome is a contraction of housing supply for permanent residents, particularly in municipalities already facing affordability pressures.

In rural and low-density areas, converting detached houses into short-term rentals is often framed as a strategy to revitalise underused or vacant properties. While this may support short-term economic diversification, it also risks embedding speculative dynamics in communities with limited planning capacity or demographic resilience. Without appropriate safeguards, such transformations may undermine long-term liveability and social sustainability.

Taken together, these patterns reflect the dual pressures of tourism demand and financial speculation. Whether through the conversion of urban apartments or the repurposing of rural housing, short-term rentals are reshaping the functional role of residential space. Housing is increasingly treated as a financial asset rather than a place of residence, with implications for spatial justice, community cohesion, and territorial equity. These findings support previous work by Cocola-Gant et al. (2021) and Torkington, Rebelo and Ribeiro (2025), which emphasises the need to analyse short-term rentals not merely as tourism infrastructure, but as a significant driver of housing market reorganisation.

4.3 Housing Financialisation and Regional Inequality

The expansion of short-term rentals in the Algarve has unfolded alongside a pronounced and sustained increase in housing prices, particularly in municipalities characterised by intense tourism activity. According to data from Idealista (2025), average property sale prices in the region more than doubled over the past decade, rising from €1,441 per square metre in January 2015 to €3,558 per square metre in December 2024.

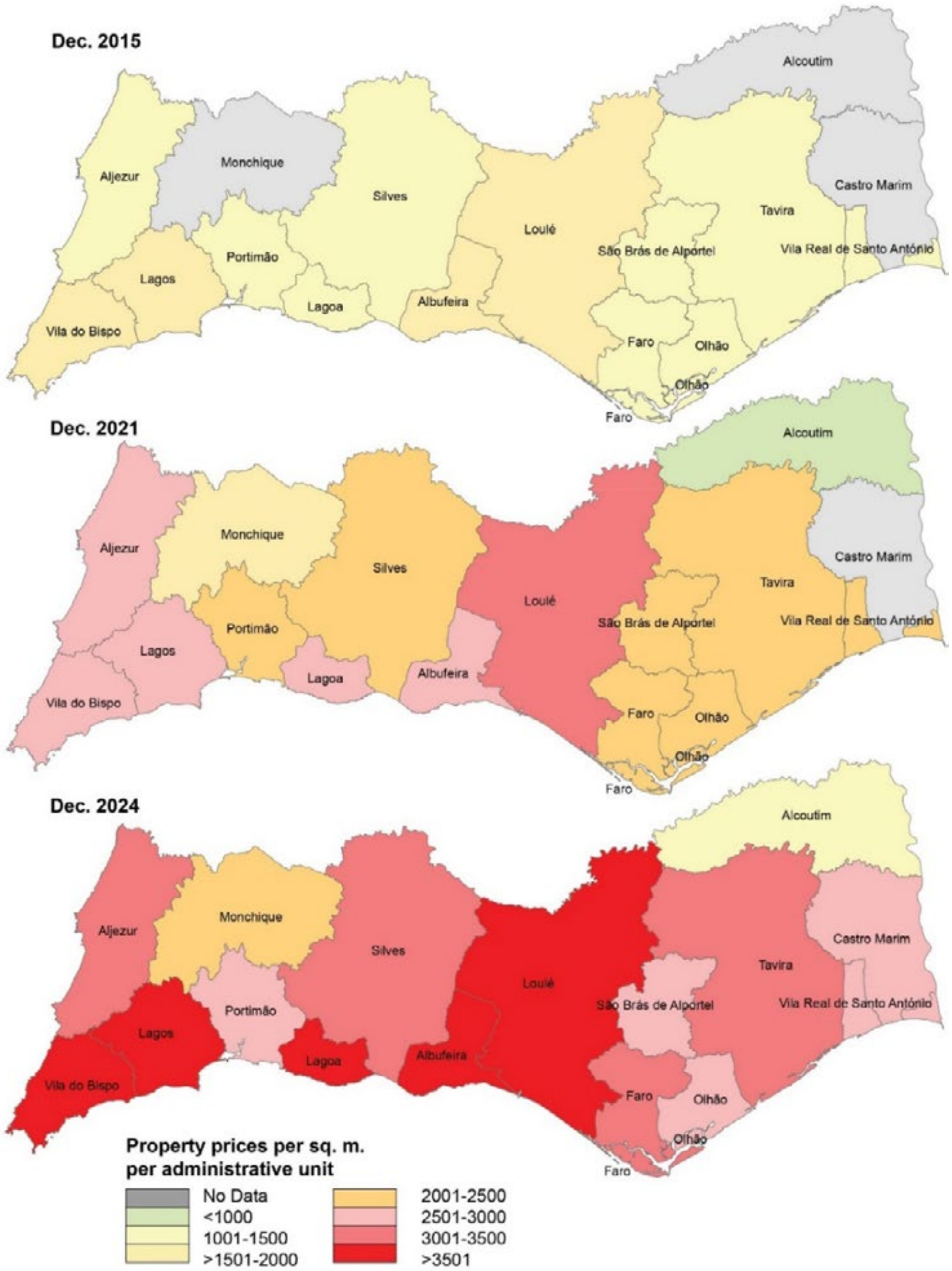
Price increases have been especially pronounced in coastal and tourism-intensive municipalities. In Loulé and Lagos, average sale prices have surpassed €4,000 per square metre, while similarly elevated values are observed in Vila do Bispo (€3,878), Lagoa (€3,768), and Albufeira (€3,512). These increases significantly outpace local income growth, indicating a shift in housing from a primarily residential good to an investment asset driven by short-term returns.

This reconfiguration is uneven across the region. Alcoutim remains the only municipality with average property prices below €2,000 per square metre (€1,190), followed by Monchique (€2,249), both characterised by lower tourism pressure and limited investment interest. By contrast, São Brás de Alportel, despite its inland location, records a higher average price (€2,673), reflecting its growing appeal linked to the perceived quality of life and residential demand. These contrasts highlight how tourism-driven housing pressures intersect with lifestyle migration and selective investment dynamics.

In municipalities where short-term rentals are most prevalent, housing increasingly functions as an income-generating asset rather than as residential infrastructure, intensifying competition for apartments and driving up sale and rental prices. This finding aligns with evidence from metropolitan contexts such as Barcelona and Lisbon (Wachsmuth & Weisler, 2018; Cocola-Gant et al., 2021) and confirms that similar highly tourism-dependent regions beyond major metropolitan areas. In the Algarve, however, these processes unfold within already saturated tourism economies, accelerating existing housing pressures rather than initiating new forms of urban transformation (Fields & Uffer, 2016; Celata & Romano, 2022).

These dynamics are reinforced by the conversion of residential housing into tourist accommodation. As properties are repurposed for short-term rental use, the boundaries between tourism infrastructure and the housing market become increasingly blurred, reducing the supply of long-term housing and exacerbating affordability pressures, particularly in coastal municipalities (see Figure 3).

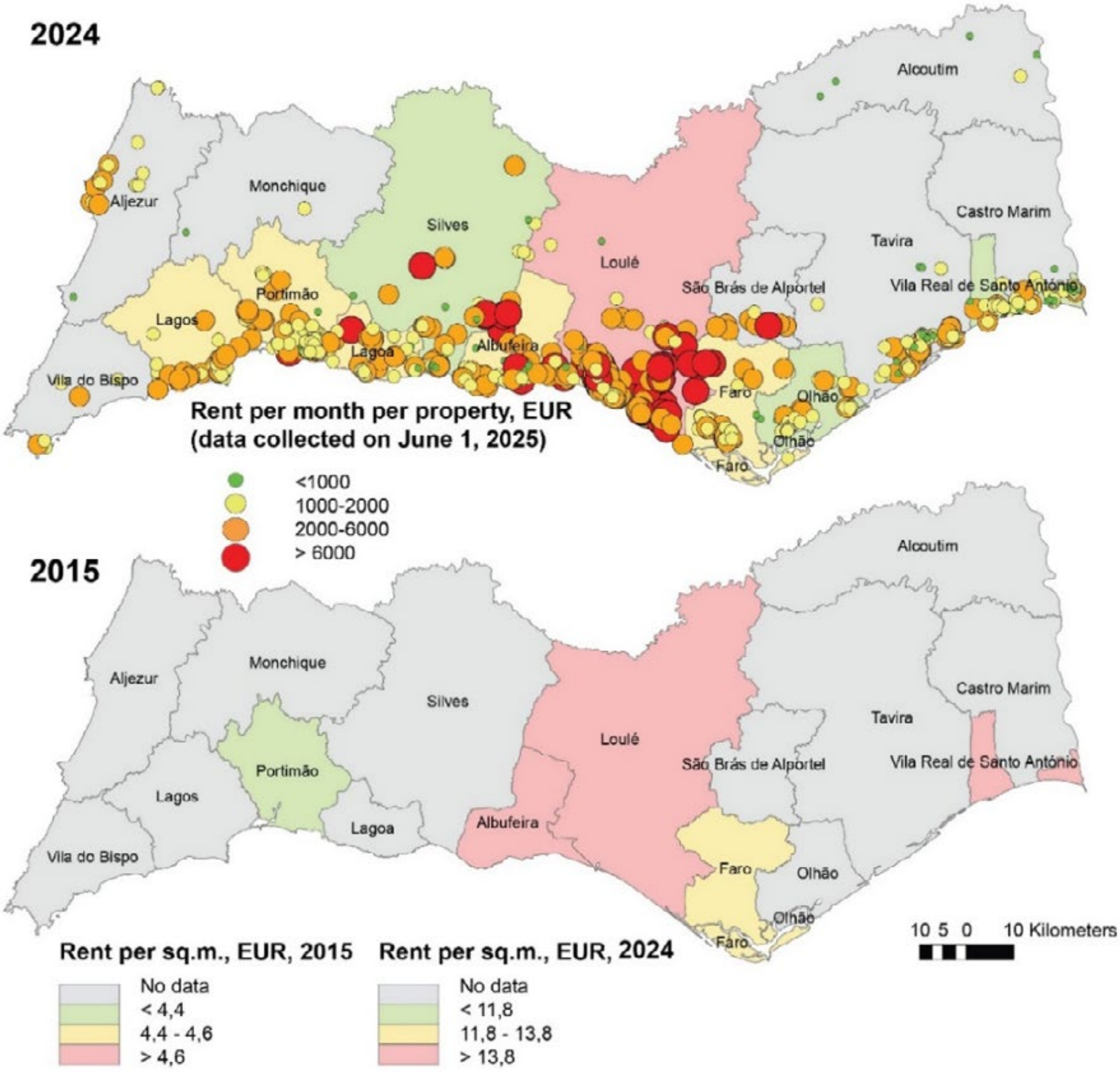
Figure 3. Property Prices per Square Meter by Municipality in the Algarve, EUR



Source: Own elaboration with data collected from Idealista (2025)

Housing pressures are also reflected in the evolution of rental prices. According to Idealista (2025), the average monthly rental price in the Algarve increased from €5.3 per square metre in December 2015 to €14.3 per square metre in December 2024, with the highest values recorded in Loulé (€16/m²) and Lagos (€13.80/m²). An analysis of 1,242 rental listings collected in June 2025 further reveals a strong spatial concentration of high-end rental properties in coastal municipalities, particularly Loulé and Albufeira, where a significant share of listings exceeds €6,000 per month (see Figure 4).

Figure 4. Monthly Rental Prices per Square Meter by Municipality in the Algarve in December 2015, and December 2024, and by location (June 2025)



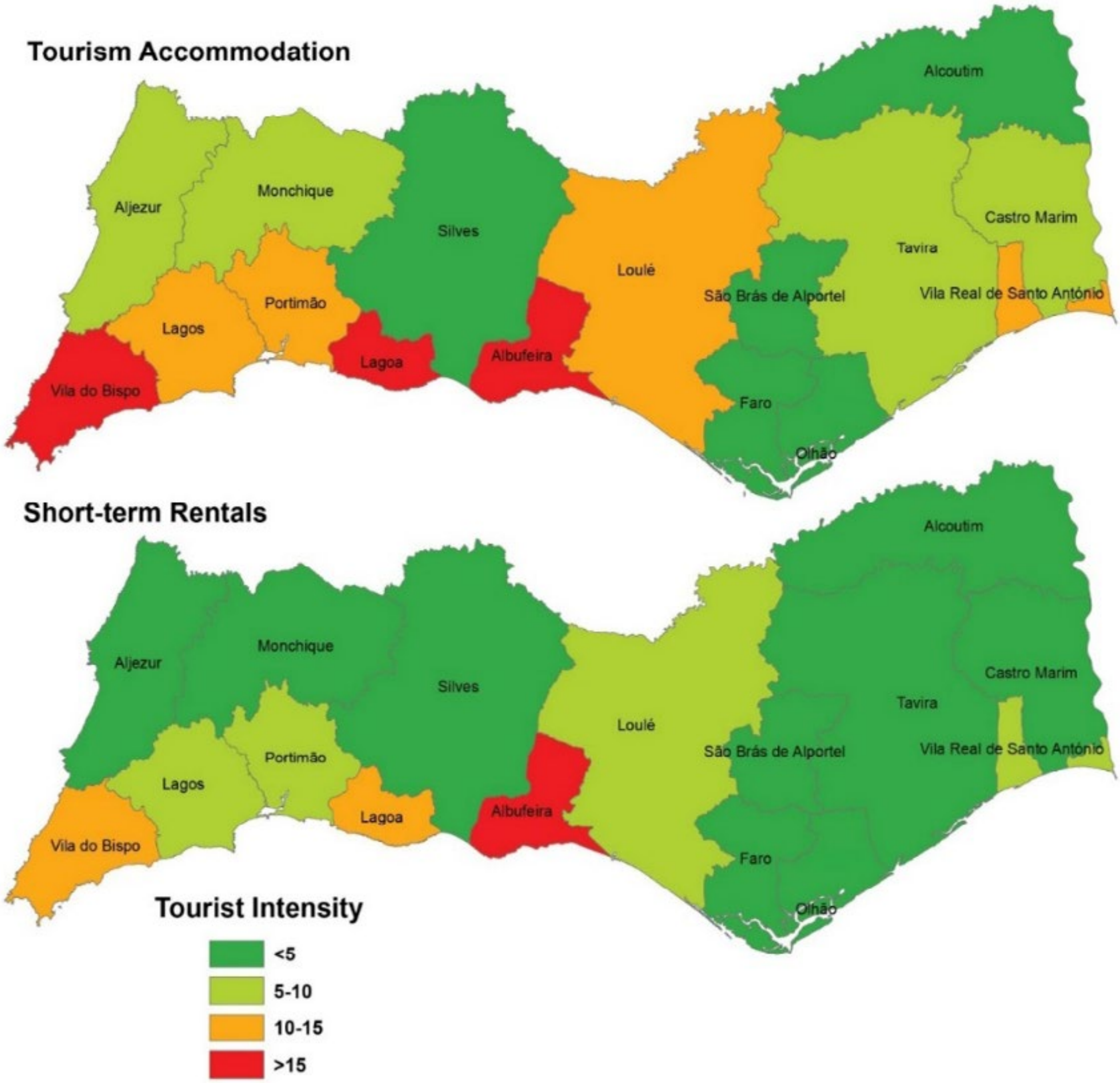
Source: Own elaboration with data collected from Idealista (2025)

Taken together, these findings show that short-term rentals contribute to the financialisation of housing markets in the Algarve by reinforcing regional inequalities and constraining access to affordable housing. Rather than promoting territorial rebalancing, tourism-driven investment dynamics intensify pressures in already saturated municipalities, while inland areas remain comparatively marginal. In highly seasonal regions, this results in a form of tourism-driven financialisation that unfolds without classic metropolitan gentrification trajectories, as saturation and short-term yield incentives are structurally embedded in local housing markets.

4.4 Tourist Intensity and Demographic Pressure

The results reveal pronounced disparities across Algarve municipalities, reflecting uneven tourism development and demographic structures (see Figure 5). Tourist Intensity is highest in coastal destinations, with Albufeira displaying an exceptionally elevated value of 68.16 overnight stays per resident (see Table 4), indicative of demographic pressure comparable to that observed in Europe's most saturated tourism destinations. Other coastal municipalities, notably Vila do Bispo (34.97) and Lagoa (29.43), also record high intensity levels, confirming the strong concentration of tourism pressure along the southern coastal belt.

Figure 5. Tourist Intensity per municipality in the Algarve in 2024



Source: Own elaboration with data collected from TravelBI (2025), Eurostat (2025), PORDATA (2025)

By contrast, inland and less tourism-intensive municipalities record substantially lower values. Alcoutim (2.12), Olhão (2.50), and São Brás de Alportel (0.50) experience minimal demographic pressure from tourism, reflecting lower visitor volumes, larger resident populations, or both. This contrast underscores a pronounced coastal–inland divide in the distribution of tourism pressure across the Algarve.

Disaggregating Tourist Intensity by accommodation type provides further insight into the structure of tourism pressure. In most high-intensity municipalities, formal tourism accommodation accounts for the majority of overnight stays, reflecting the large capacity of hotels and resorts in destinations such as Albufeira, Lagoa, Lagos, and Portimão. Short-term rentals generally account for around one-third of total intensity, playing a supporting but increasingly significant role despite their large number and spatial distribution.

Table 4. Tourist Intensity per municipality and per accommodation typology in the Algarve (2024)

Municipality	Tourist Intensity		
	Formal Tourism Accommodation + Short-term Rentals	Formal Tourism Accommodation	Short-term Rentals
Albufeira	68.16	43.21	24.95
Alcoutim	2.12	1.35	0.78
Aljezur	11.69	7.41	4.28
Castro Marim	9.35	5.93	3.42
Faro	4.43	2.81	1.62
Lagoa	29.43	18.66	10.77
Lagos	20.57	13.04	7.53
Loulé	16.59	10.52	6.07
Monchique	8.76	5.55	3.21
Olhão	2.50	1.59	0.92
Portimão	18.14	11.50	6.64
São Brás de Alportel	0.50	0.32	0.18
Silves	2.99	1.90	1.10
Tavira	11.53	7.31	4.22
Vila do Bispo	34.97	22.17	12.80
Vila Real de Santo António	22.29	14.13	8.16
Algarve	18.16	11.51	6.65

Unit: overnight stays per resident
Source: Own elaboration with data collected from TravelBI (2025), Eurostat (2025) and PORDATA (2025)

Importantly, Tourist Intensity is not solely a function of visitor numbers but is strongly influenced by population size. Small municipalities with limited resident populations, such as Vila do Bispo and Lagoa, experience disproportionately high intensity values even when absolute visitor numbers are lower than in larger destinations.

Seasonality further amplifies these pressures. Tourism activity in the Algarve is heavily concentrated in the summer months, with coastal municipalities experiencing sharp seasonal peaks. In Albufeira, Tourist Intensity rises to more than 125 overnight stays per resident in August, compared to fewer than 17 in January. Similar seasonal patterns are observed in other coastal destinations, while inland municipalities such as Alcoutim and São Brás de Alportel exhibit consistently low, stable intensity levels year-round.

Taken together, these findings confirm that Tourist Intensity is a particularly useful indicator for understanding demographic pressure in tourism-dependent regions. When combined with short-term rental data, it helps explain why even modest increases in accommodation supply can generate disproportionate pressures in small, tourism-specialised municipalities. The indicator thus captures not only the scale of tourism flows, but also their uneven social and territorial impacts on housing, infrastructure, and local services.

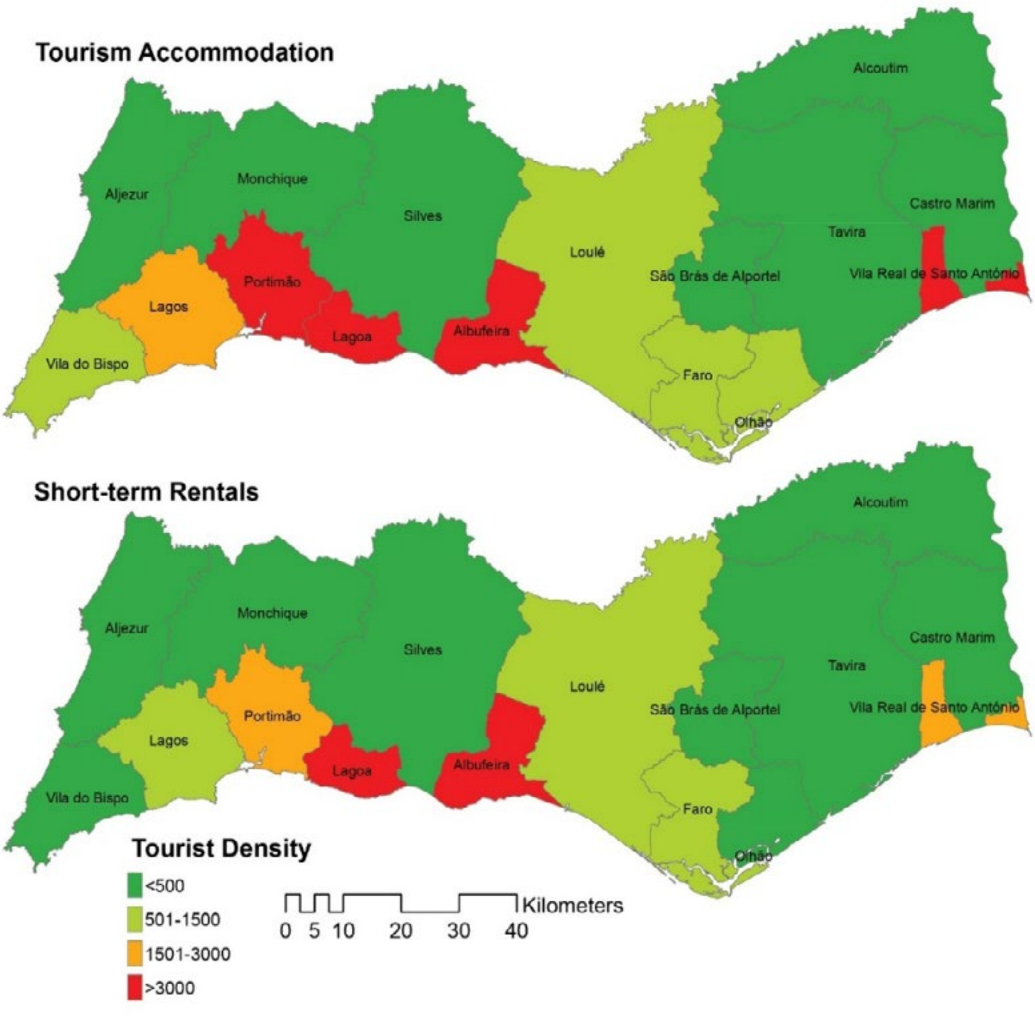
4.5 Tourist Density and Spatial Saturation

Tourist density offers a spatial perspective on tourism pressure by measuring the concentration of overnight stays per unit of land area, regardless of population size. This indicator is especially useful for assessing pressures on land use, public space, and environmental resources in tourism-intensive municipalities (see Figure 6).

The analysis reveals pronounced territorial disparities in tourist density across the Algarve (see Table 5). Albufeira emerges as the most densely visited municipality, recording 23,685 overnight stays per square kilometre, far exceeding all other destinations and highlighting the extreme spatial concentration of tourism within a compact coastal area. Other coastal municipalities, including Lagoa and Vila Real de Santo António, also display high population density, reflecting the combination of substantial tourism demand and relatively small territorial areas.

By contrast, inland municipalities such as Alcoutim, São Brás de Alportel, and Monchique exhibit extremely low tourist density values. These areas are characterised by larger land areas and limited tourism infrastructure, resulting in comparatively low spatial pressure despite some tourism activity. This contrast reinforces the marked coastal–inland divide in the spatial distribution of tourism pressure within the region.

Figure 6. Tourist Density per municipality in the Algarve (2024)



Source: Own elaboration with data collected from TravelBI (2025), Eurostat (2025) and PORDATA (2025)

Table 5. Tourist Density per municipality in the Algarve (2024)

Municipality	Tourism Density		
	Formal Tourism Accommodation + Short-term Rentals	Formal Tourism Accommodation	Short-term Rentals
Albufeira	23,685	14,992	8,658
Alcoutim	9	6	3
Aljezur	235	149	86
Castro Marim	217	138	79
Faro	1,540	975	563
Lagoa	8,529	5,398	3,118
Lagos	3,408	2,157	1,246
Loulé	1,649	1,043	603
Monchique	118	75	43
Olhão	870	551	318
Portimão	6,432	4,071	2,351
São Brás de Alportel	38	24	14
Silves	178	112	65
Tavira	538	341	197
Vila do Bispo	1,183	749	432
Vila Real de Santo António	7,124	4,509	2,604
Algarve	1,793	1,135	656

Unit: overnight stays per km²
Source: Own elaboration with data from TravelBI (2025), Eurostat (2025) and PORDATA (2025)

Disaggregating tourist density by accommodation type reveals structural differences in how spatial pressure is produced. In high-density coastal municipalities, formal tourism accommodation accounts for the majority of overnight stays per square kilometre, reflecting the concentration of hotels and resorts in compact urban areas. Short-term rentals, while generally contributing a smaller share, nevertheless represent a significant and growing component of spatial pressure, particularly in central neighbourhoods and apartment-dominated zones where their flexibility allows rapid adaptation to market demand.

Seasonality further intensifies spatial saturation in coastal destinations. In Albufeira, tourist density increases more than sevenfold between winter and summer months, with peak values in August far exceeding those observed during the low season. Similar seasonal surges are evident in other coastal municipalities, underscoring the Algarve's strong dependence on summer tourism and the resulting temporal concentration of spatial pressure.

Notably, some inland municipalities also experience sharp proportional seasonal increases despite low annual density levels. In Monchique, tourist density rises dramatically during summer months, suggesting a spillover of seasonal demand into traditionally low-density rural areas. While absolute figures remain modest, these trends point to the expansion of niche tourism markets, such as nature-based, surf, or wellness tourism, and signal emerging pressures in territories with limited planning and governance capacity.

Taken together, these findings demonstrate that Tourist Density is a valuable indicator for capturing spatial saturation and its uneven territorial impacts. In the Algarve, high-density coastal municipalities face acute competition for space and strong incentives to convert residential units into tourist accommodation, particularly apartments in central and coastal locations. Operating in tandem with seasonality, Tourist Density helps explain periods of acute spatial congestion that exacerbate housing stress, environmental strain, and governance challenges, reinforcing concerns about spatial justice and territorial inequality (Celata & Romano, 2022).

4.6 Theoretical implications

From a theoretical perspective, this study contributes to the literature on short-term rentals by reinforcing and extending critical interpretations that situate platform-mediated accommodation within broader processes of housing financialisation and tourism-driven spatial restructuring. Rather than conceptualising short-term rentals as a parallel or alternative form of accommodation, the findings support viewing them as an integral component of a dual accommodation system, operating alongside formal tourism accommodation and generating cumulative impacts on housing markets, infrastructure, and territorial organisation. In this context, the central challenge lies not in the coexistence of different accommodation types per se, but in their uneven regulatory and spatial integration (Aguilera et al., 2021). Crucially, in tourism-dependent regions, short-term rentals function less as a catalyst for structural change and more as an accelerator of pre-existing saturation dynamics.

The study further advances this debate by demonstrating the analytical value of integrating tourism pressure indicators, such as Tourist Intensity and Tourist Density, into housing market analysis. Tourism pressure is conceptualised as an intervening territorial mechanism that conditions how and where investment-driven housing transformations unfold. Building on foundational work on rent gaps and tourism-led investment (Fields & Uffer, 2016; Wachsmuth & Weisler, 2018), the findings show that in highly saturated destinations, elevated tourism intensity accelerates the reallocation of residential housing towards short-term, profit-oriented uses. Importantly, this occurs not through the introduction of new market logics, but through the intensification of existing investment dynamics. By combining tourism metrics with real estate price data, the analysis bridges tourism sustainability research and critical housing studies, offering a more spatially sensitive understanding of how tourism demand translates into local housing pressures.

Finally, this research extends the predominantly urban-centric literature on short-term rentals by focusing on a highly tourism-dependent coastal region characterised by strong seasonality and pronounced territorial inequalities. Unlike metropolitan contexts such as Barcelona or Lisbon (Sequera & Nofre, 2020; Cocola-Gant et al., 2021), where short-term rentals often trigger incremental neighbourhood transformation, in tourism-dependent regions, they operate within already consolidated tourism economies. In such settings, short-term rentals reinforce investment-driven housing pressures and spatial inequality rather than initiating them, deepening long-standing coastal–inland divides. Conceptually, this reframes short-term rentals in tourism-dependent regions as a mechanism of cumulative saturation, in which platform growth compounds earlier waves of tourism investment rather than reorganising them. This supports calls for place-sensitive theoretical frameworks that explicitly account for seasonality, regional economic dependence on tourism, and uneven governance capacity when analysing platform-mediated tourism (Celata & Romano, 2022; Siatitsa et al., 2025).

5. Conclusion

By integrating spatial tourism indicators with housing market data, this study shows that short-term rentals in tourism-dependent regions such as the Algarve intensify pre-existing territorial and housing inequalities rather than redistributing tourism flows.

Tourism in the Algarve operates within a dual accommodation system in which formal tourism establishments and short-term rentals coexist and increasingly overlap in the same high-demand locations (Aguilera et al., 2021; Celata & Romano, 2022). While this expansion has diversified the accommodation offer, it has simultaneously intensified long-standing spatial inequalities, reinforced seasonal saturation in coastal destinations, and exacerbated tensions between tourism growth and housing affordability (Müller et al., 2021; de la Osada Saurí & Ribeiro de Almeida, 2023).

The analysis reveals a pronounced coastal concentration of short-term rentals in municipalities such as Albufeira, Loulé, Lagos, and Portimão. These destinations already accommodate the majority of the Algarve's formal tourism capacity, indicating that short-term rentals do not promote territorial dispersion but instead amplify existing tourism hotspots. Inland municipalities, including Alcoutim, Monchique, and São Brás de Alportel, remain peripheral to tourism flows, with limited accommodation capacity and comparatively low tourism pressure. This persistent coastal–inland divide underscores the role of short-term rentals in reinforcing, rather than reshaping, established tourism geographies (Gutiérrez et al., 2017; de la Osada Saurí & Pitarch-Garrido, 2021). This divide is further reinforced by ownership structures, with coastal municipalities dominated by professional operators and multi-property portfolios, intensifying housing competition, while inland areas remain characterised by small-scale, supplementary rental activity (Semi & Tonetta, 2021; Cocola-Gant et al., 2021; Torkington et al., 2025).

The integration of Tourist Intensity and Tourist Density indicators with real estate data confirms that the most tourism-saturated municipalities, particularly Albufeira, Lagoa, Lagos, and Portimão, are also those experiencing the steepest increases in housing sales and rental prices. In these areas, apartments dominate both formal tourism accommodation and short-term rental supply, creating direct competition with long-term residential housing and contributing to the financialisation of the housing stock (Fields & Uffer, 2016; Wachsmuth & Weisler, 2018). Inland areas generally remain more affordable, although selective price increases, such as those observed in São Brás de Alportel, suggest emerging pressures linked to lifestyle migration and perceived improvements in quality of life.

In coastal municipalities facing extreme seasonal pressures, targeted interventions are required, including caps on tourist beds, zoning or containment mechanisms, and coordinated housing–tourism planning frameworks (Nieuwland & van Melik, 2020; de la Osada Saurí & Pitarch-Garrido, 2025). Inland municipalities present opportunities for low-impact tourism diversification; however, realising this potential will require investment in infrastructure, strengthened governance capacity, and strategic planning to prevent the replication of housing pressures already evident along the coast.

At the municipal level, policy responses should focus on territorially differentiated instruments, including zoning regulations, caps on tourist beds, and differentiated licensing regimes that reflect cumulative tourism and housing pressure. At the regional level, stronger coordination across municipalities is required to prevent the displacement of tourism and housing pressures from highly saturated coastal destinations to less-regulated inland areas, thereby ensuring a more coherent and balanced territorial strategy. At the national level, effective governance depends on improved data harmonisation, regulatory stability, and clearer alignment between tourism, housing, and fiscal policies, providing local and regional authorities with consistent frameworks and reliable information for decision-making.

For policymakers, the findings highlight the importance of integrating short-term rentals into housing and spatial planning frameworks through territorially differentiated strategies that reflect varying levels of tourism pressure. For the housing sector, they underline the risks associated with tourism-driven financialisation and the urgency of balancing tourism profitability with long-term residential affordability (Celata & Romano, 2022; Siatitsa et al., 2025). For civil society organisations and local communities, the study provides robust empirical evidence to support advocacy efforts centred on housing rights, spatial justice, and community resilience.

Taken together, this research demonstrates that effective governance of short-term rentals requires moving beyond reactive regulation. Instead, it demands an integrated, place-sensitive approach that recognises the structural role of short-term rentals within tourism economies, their contribution to housing market transformation, and their uneven territorial impacts. Such an approach is essential for reconciling tourism development with housing affordability, territorial equity, and long-term well-being in highly tourism-dependent regions.

ACKNOWLEDGEMENTS

This paper is financed by National Funds provided by FCT- Foundation for Science and Technology through project UID/04020/2025 (CinTurs) with DOI https://doi.org/10.54499/UID/04020/2025.

REFERENCES

Aguilera, T., Artioli, F., & Colomb, C. (2021). Explaining the diversity of policy responses to platform-mediated short-term rentals in European cities: A comparison of Barcelona, Paris and Milan. *Environment and Planning A: Economy and Space*, *53*(7), 1689–1712. https://doi.org/10.1177/0308518X19862286

Algarve Tourism Board, University of the Algarve, Algarve Regional Coordination and Development Commission, & Turismo de Portugal. (2024). *The Algarve Tourism Sustainable Observatory (AlgSTO): Fourth annual report (2024).*

Antunes, G., & Ferreira, J. (2021). Short-term rentals: How much is too much – Spatial patterns in Portugal and Lisbon. *Tourism and Hospitality Management*, *27*(3), 581–603. https://doi.org/10.20867/thm.27.3.6

Celata, F., & Romano, A. (2022). Regulating short-term rentals: The uneasy relationship between housing and tourism. *Urban Studies*, *59*(4), 781–797. https://doi.org/10.1177/00420980211023938

Cocola-Gant, A., & Gago, A. (2021). Airbnb, buy-to-let investment and tourism-driven displacement: A case study in Lisbon. *Environment and Planning A: Economy and Space*, *53*(7), 1671–1688. https://doi.org/10.1177/0308518X19869012

Cocola-Gant, A., Hof, A., Smigiel, C., & Yrigoy, I. (2021). Short-term rentals as a new urban frontier – Evidence from European cities. *Environment and Planning A: Economy and Space*, *53*(7), 1601–1608. https://doi.org/10.1177/0308518X211042634

Crowley, J., & Huddart, A. (2023). Regenerative tourism: Designing tourism for social and ecological justice. *Tourism Geographies*, *25*(1–2), 1–20. https://doi.org/10.1080/14616688.2022.2114382

de la Osada Saurí, D., & Pitarch-Garrido, M.-D. (2025). Identification of areas under stress due to short-term renting: The case of the city of Valencia, Spain. In C. Ribeiro de Almeida, A. I. Renda, & J. Echavarri (Eds.), *Short-term rentals and their impact on destinations* (pp. 171-200). IGI Global. https://doi.org/10.4018/979-8-3693-6050-7.ch006

de la Osada Saurí, D., & Ribeiro de Almeida, C. (2023). Viviendas turísticas y transformaciones demográficas: Un estudio sobre el turismo masivo en el Algarve. *Cuadernos de Geografía*, *111*, 7–32. https://doi.org/10.7203/CGUV.111.26174

de la Osada Saurí, D., Ribeiro de Almeida, C., & Pitarch-Garrido, M. D. (2023). El turismo de costa a costa de la Península Ibérica: Comparativa entre la costa de la región de Algarve y la Comunitat Valenciana. In Geografía: Cambios, retos y adaptación. *Actas del XXVIII Congreso de la Asociación Española de Geografía* (pp. 1531–1541). Asociación Española de Geografía. https://doi.org/10.21138/CG/2023.lc

de la Osada Saurí, D., & Pitarch-Garrido, M. D. (2021). Analysis of the Airbnb effect in the city of Valencia: Current situation (2020) and future prospects. TERRA. *Revista de Desarrollo Local*, *8*, 98–137. https://doi.org/10.7203/terra.8.19092

Eurostat (2024). *Regions in the European Union and EFTA countries (NUTS level 2 regions and statistical regions at level 2)*. Eurostat. https://ec.europa.eu/eurostat/web/interactive-publications/regions-2024

Eurostat (2025). *Short-stay accommodation offered via collaborative economy platforms by months, residence of the guest and NUTS 1 and NUTS 2 regions*. Eurostat. https://doi.org/10.2908/tour_ce_omn12

Farinha, F., Bienvenido-Huertas, D., Duarte Pinheiro, M., Silva, E. M. J., Lança, R., Oliveira, M. J., & Batista, R. (2021). Sustainable competitiveness of tourism in the Algarve region: Critical stakeholders' perception of the supply sector. *Sustainability*, *13*(11), Article 6072. https://doi.org/10.3390/su13116072

Fernandes, P. O., Nunes, A. M., Veloso, C. M., Santos, E., Ferreira, F. A., & Fonseca, M. J. (2020). Spatial and temporal concentration of tourism supply and demand in Northern Portugal: Application of the Herfindahl-Hirschman Index. In A. Rocha, A. Abreu, J. Vidal de Carvalho, D. Liberato, E. Alén González, P. Liberato (Eds.), *Advances in Tourism, Technology and Smart Systems* (pp. 263–273). Springer. https://doi.org/10.1007/978-981-15-2024-2_24

Fields, D., & Uffer, S. (2016). The financialisation of rental housing: A comparative analysis of New York City and Berlin. *Urban Studies*, *53*(7), 1486–1502. https://doi.org/10.1177/0042098014543704

Garha, N. S., & Botelho Azevedo, A. (2022). Airbnb and the housing market in the COVID-19 pandemic: A comparative study of Barcelona and Lisbon. *Análise Social*, *57*(242), 4–31. https://doi.org/10.31447/as00032573.2022242.01

Gutiérrez, J., García-Palomares, J. C., Romanillos, G., & Salas-Olmedo, M. H. (2017). The eruption of Airbnb in tourist cities: Comparing spatial patterns of Airbnb and hotels in Barcelona. *Tourism Management*, *62*, 278–291. https://doi.org/10.1016/j.tourman.2017.05.003

Idealista (2025). *Índice de preços de venda e arrendamento por município [2015-2024]*. Madrid: Idealista Data. Retrieved 15 June 2025, from https://www.idealista.pt/media/relatorios-preco-habitacao/arrendamento/

Katsinas, P. (2021). Professionalisation of short-term rentals and emergent tourism gentrification in post-crisis Thessaloniki. *Environment and Planning A: Economy and Space*, *53*(7), 1652–1670. https://doi.org/10.1177/0308518X21988940

Martínez-García, A., Horrach-Rosselló, P., & Mulet-Forteza, C. (2024). Forgotten effects of sharing accommodation impacts in the Balearic Islands. *Current Issues in Tourism, 28*(17), 2764–2786. https://doi.org/10.1080/13683500.2024.2381242

Müller, N., Murray, I., & Blázquez-Salom, M. (2021). Short-term rentals and the rentier growth coalition in Pollença (Majorca). *Environment and Planning A: Economy and Space*, *53*(7), 1609–1629. https://doi.org/10.1177/0308518X211033307

Nieuwland, S., & van Melik, R. (2020). Regulating Airbnb: How cities deal with perceived negative externalities of short-term rentals. *Current Issues in Tourism*, *23*(7), 811–825. https://doi.org/10.1080/13683500.2018.1504899

Petronilho, A. (2023). Donos de alojamento local cancelam licenças para escapar à taxa extraordinária. *ECO*, 22 December. Retrieved 29 January 2024, https://eco.sapo.pt/2023/12/22/donos-de-alojamento-local-cancelam-licencas-para-escapar-a-taxa-extraordinaria/?utm_source=chatgpt.com

PORDATA (2025). *População residente por sexo e grupo etário [2024]*. Fundação Francisco Manuel dos Santos. https://www.pordata.pt/pt/estatisticas/populacao/populacao-residente/populacao-residente-por-sexo-e-grupo-etario

Registo Nacional de Turismo (2025a). *Registo Nacional de Estabelecimentos de Alojamento Local*. Turismo de Portugal. Retrieved 22 July 2025, from https://rnt.turismodeportugal.pt/RNT/Pesquisa_AL.aspx

Registo Nacional de Turismo (2025b). *Registo Nacional de Empreendimentos Turísticos*. Turismo de Portugal. Retrieved 22 July 2025, from https://rnt.turismodeportugal.pt/RNT/Pesquisa_ET.aspx

Ribeiro, F. (2023). Cancelamentos de registos de AL dispararam 85% em 2023. *Vida Imobiliária*, 22 January. Retrieved 29 January 2024, https://vidaimobiliaria.com/noticias/mercados/cancelamentos-de-registos-de-al-dispararam-85-em-2023/?utm_source=chatgpt.com

Semi, G., & Tonetta, M. (2021). Marginal hosts: Short-term rental suppliers in Turin, Italy. *Environment and Planning A: Economy and Space*, *53*(7), 1630–1651. https://doi.org/10.1177/0308518X20912435

Sequera, J., & Nofre, J. (2020). Touristification, transnational gentrification and urban change in Lisbon: The neighbourhood of Alfama. *Urban Studies*, *57*(15), 3025–3043. https://doi.org/10.1177/0042098019883734

Siatitsa, D., Colini, L., & Tulumello, S. (2025). *Housing as investment in Greece and Southern Europe: Private profit vs social value*. Foundation for European Progressive Studies, Eteron, Friedrich-Ebert-Stiftung, and InSocial. https://feps-europe.eu [ISBN: 978-2-931233-44-3]

Torkington, K., Rebelo, S., & Ribeiro, F. P. (2025). The potential for and of short-term rental accommodation in rural areas of the Algarve. In C. Ribeiro de Almeida, A. I. Renda, & J. Echavarri (Eds.), *Short-term rentals and their impact on destinations* (pp. 301–332). IGI Global. https://doi.org/10.4018/979-8-3693-6050-7.ch010

TravelBI (2025). *Dormidas nos estabelecimentos de alojamento turístico – Indicadores por município [2024].* TravelBI by Tourism of Portugal. Retrieved 22 July 2025, from https://travelbi.turismodeportugal.pt/alojamento/indicadores-municipio/

Wachsmuth, D., & Weisler, A. (2018). Airbnb and the rent gap: Gentrification through the sharing economy. *Environment and Planning A: Economy and Space, 50*(6), 1147–1170. https://doi.org/10.1177/0308518X18778038

ORCID

Cláudia Ribeiro de Almeida https://orcid.org/0000-0002-0790-3152

Andrei Bezruchonak https://orcid.org/0000-0001-6554-4234

Notes on contributors

Cláudia Ribeiro de Almeida is a Full Professor at the School of Management, Hospitality and Tourism at the University of the Algarve, Portugal and an Integrated Researcher at CinTurs (Research Centre for Tourism, Sustainability and Well-Being). Her research focuses on air transport and tourism dynamics, sustainability, second-home tourism, short-term rentals, and artificial intelligence in tourism. She holds a PhD in Tourism from the University of Aveiro. Cláudia has extensive teaching experience since 1996 and has coordinated tourism programmes at undergraduate and master's levels. Her work has been published in books, book chapters, and international journals, and she has participated in several national and international research projects.

Andrei Bezruchonak is the Head of the Department of Geography and Geoinformatics at Belarusian State University (Minsk, Belarus), where he conducts teaching and research. He holds a PhD in Geography and completed his academic training at the Faculty of Geography in Minsk and at the University of the Algarve. His research focuses on transportation geography, urban studies, and related fields of human geography. Andrei has participated in several international mobility and research programmes, including ERASMUS and MOST in Portugal, FULBRIGHT and WEISER in the USA, the Kirkland Research Programme in Poland, and an internship at the Canadian Parliament. His work reflects a strong interest in understanding spatial dynamics and mobility within contemporary societies.

JOURNAL OF TOURISM,
SUSTAINABILITY AND WELL-BEING
2026, VOL. 14, NO. 2, 111-128
ISSN: 2795-5044 | https://doi.org/10.34623/yeqh-gg34

The Perception of Wellness Tourism in Türkiye: A Comparison with European Countries

Vildan Yilmaz [1]

1. Alanya Alaaddin Keykubat University, Alanya Chamber of Commerce and Industry Vocational School of Tourism, Travel, Tourism and Entertainment Services Department, Antalya, Türkiye

ABSTRACT

This study examines Türkiye's potential in wellness tourism, a sector historically dominated by the Far East, Southeast Asia, and Europe. Despite its geographical advantages, strong health and tourism sectors, affordable services, and rich cultural heritage, Türkiye remains underdeveloped in this field. To evaluate industry awareness and perception, the study analyzes insights from health tourism professionals. A total of 24 participants were reached, from both Türkiye and European countries. The participants were selected using snowball sampling to ensure that they included industry experts who are highly representative of the target population. The participants' perspectives were examined using the word association test, with the obtained data analyzed through word cloud and MAXQDA. The findings of the study reveal that the perception of wellness tourism is primarily shaped by health-related services, along with touristic offerings and the natural and cultural attributes of the destination. A comparison with successful European wellness markets highlights Türkiye's need to develop a unique wellness identity rooted in its cultural and historical traditions. The findings offer strategic recommendations to enhance Türkiye's destination brand equity and global competitiveness. The findings also provide valuable guidance for other developing nations aiming to establish themselves in the expanding wellness tourism sector.

KEYWORDS

Wellness Tourism, Spa, Traditional Medicine, Destination Competitiveness, Türkiye.

ARTICLE HISTORY

Received 20 August 2025 Accepted 12 May 2026

CORRESPONDING AUTHOR CONTACT Vildan Yilmaz vldnylmz@gmail.com Alanya Chamber of Commerce and Industry Vocational School of Tourism, Travel, Tourism and Entertainment Services Department, Antalya, Türkiye

1. Introduction

Faced with diseases throughout their history, humans have continuously sought ways to develop diverse treatment methods to preserve their health. Historical records reveal that treatment practices to heal both body and soul date back to ancient societies worldwide, from China to Africa and Europe. These early practices, discovered through observation and trial and error, and often relying on nature's resources, were then transmitted through subsequent generations (Öztürk et al., 2020). In the 18th and 19th centuries, clinical research became a cornerstone of medicine, whereby scientific data was used to evaluate treatments and provide concrete evidence of their efficacy. These advancements laid the groundwork for what is now recognized as modern, orthodox, or conventional medicine (Pasipoularides, 2014; Arpacı, 2021). As modern medicine rose to dominance, traditional treatment methods were often sidelined, with many dismissed as ineffective or even harmful (Yılmaz, 2020).

However, since the Second World War, modern medicine has faced increasing criticism for its reductionist approach, which often narrows its focus to the treatment of specific organ dysfunctions without adequately considering the broader social, psychological, and environmental factors that contribute to disease (Sayar, 2015). The redefinition of health by the World Health Organization (WHO) in 1948, as "a state of complete physical, mental and social well-being" rather than merely the absence of disease or infirmity, further encouraged multidimensional approaches to well-being (WHO, 1948). This shift has become a catalyst for sustainable and integrative health practices (Osti & Goffi, 2021; Pereira et al., 2023). Recently, the limited time that healthcare professionals spend with patients, increasing concerns about the side effects and long-term risks of manufactured drugs, and the perception that natural treatments are safer and more sustainable have led to a revival of interest in traditional and holistic treatment methods (Tütüncü, 2017; Ünal & Dağdeviren, 2019). These developments have laid the groundwork for contemporary wellness movements.

Today, wellness stands in contrast to conventional medicine by focusing on lifestyle adjustments, preventive measures, and natural therapies (Puczkó & Bachvarov, 2006; Smith & Puczko, 2014). In affluent societies, longer life expectancy and active aging ideologies have made wellness consumption central to retirees' lifestyles (Johanson, 2004; Koskinen & Wilska, 2019). Furthermore, while wellness tourism has traditionally been driven by the 50-65-year-old age group, there is a growing trend of younger populations embracing wellness travel, especially since the COVID-19 pandemic (Milićević & Jovanović, 2015; Tang et al., 2020). Businesses and governments have thus increasingly recognized the integration of health, relaxation, and personal well-being into travel experiences as a key growth area in tourism (Csirmaz & Pető, 2015). Türkiye's strong emphasis on modern medicine has overshadowed its rich cultural heritage and traditional healing practices, thereby limiting its appeal in the broader context of holistic wellness tourism. Accordingly, the present study aims to investigate Turkish and European experts' perceptions of Turkish wellness tourism. The findings reveal key differences in practices and strategies by comparing Türkiye's approach to that of European countries, which stand out for their success in wellness tourism. By highlighting these differences, the study seeks to show how emerging destinations can identify and leverage their unique resources for wellness tourism.

2. Literature Review

2.1 The Concept of Wellness Tourism

Wellness is defined by the Global Wellness Institute (Global Wellness Institute [GWI], 2023a) as "the active pursuit of activities, choices, and lifestyles that lead to a state of holistic health". The term itself may have originated from a blend of well-being and fitness (Milićević & Jovanović, 2015), or well-being and wholeness (Puczkó & Bachvarov, 2006). Wellness tourism refers to the common practice of people seeking traditional healing practices in locations away from their daily environments to rejuvenate and lead healthier lives (Kessler et al., 2020). Wellness tourism thus combines health-promoting activities with touristic products to meet the growing consumer demand for health-focused travel experiences (Johanson, 2004; Ergüven, 2010; Kessler et al., 2020). It is a modern concept, albeit with deep roots in traditional healing practices from Eastern, Western, and Middle Eastern cultures, such as massage, yoga, herbal medicine, and bathing (Puczkó & Bachvarov, 2006; Koncul, 2012; Csirmaz & Pető, 2015).

The wellness industry now encompasses a wide range of areas, such as fitness, beauty, anti-aging nutrition, mind-body training, and weight loss, to offer services to a wide demographic (Smith & Puczkó, 2014; Koskinen & Wilska, 2019). These modern practices are often combined in a holistic approach with mystical and traditional therapies to achieve balance across all dimensions of life: physical, mental, psychological, and social well-being (Smith & Kelly, 2006; Milićević & Jovanović, 2015; Kessler et al., 2020; Tang et al., 2020). Practices are designed to enhance well-being through diverse services and experiences, including spa treatments and personal care, access to thermal water springs, practices like yoga, meditation, and healthy nutrition, opportunities for physical activity, and connection with nature (Johanson, 2004; Ergüven, 2010; Kelly, 2012; Smith & Puczkó, 2014; Santinha et al., 2015).

Wellness tourism spending reached $720.4 billion in 2019 before declining in 2020 due to the Covid-19 pandemic. Post-pandemic, the sector rebounded with an annual growth rate of 30.2%, surpassing the overall tourism growth rate of 23.8%. The market is expected to grow by an additional 52% by 2027 (GWI, 2023a). Wellness travelers contribute significantly to the tourism industry, with international wellness tourists spending 58% more than ordinary international tourists, and domestic wellness tourists spending 178% more than ordinary domestic tourists (Csirmaz & Pető, 2015; GWI, 2018; Kessler et al., 2020). North America, Europe, and Asia-Pacific dominate the global wellness tourism market, with the United States, Germany, France, China, and Japan accounting for 64%, while Europe accounts for the most wellness trips regionally (GWI, 2023a).

2.2 Spas

Since ancient times, people have sought healing in thermal waters, frequently visiting thermal spas and baths to benefit from their therapeutic properties. For instance, Roman soldiers used public baths in conquered towns to heal and recuperate after extended military campaigns. Over time, the thermal bath culture flourished in Europe, where natural springs attracted visitors to places like Bath in England, Baden-Baden in Germany, and Piešťany in Slovakia. Hot spring destinations also emerged in the United States, Canada, and later in Asian countries like Japan and Korea (Tang et al., 2020). These baths, primarily focused on disease prevention, rehabilitation, and treatment, laid the foundation for the spa culture associated with wellness today.

The etymology of the word “spa” remains debated: some attribute it to the Latin abbreviation “sanitas per aquam”, meaning health through water (Papadopoulou, 2020), while others trace it to the Latin term “espa”, meaning fountain (Puczkó & Bachvarov, 2006). Following the two world wars, thermal bath sites were neglected, with many facilities falling into disrepair due to the decline of the upper-class nobility who had traditionally frequented spa towns. The rise of the middle class globally ended the era of class-exclusive access to thermal resorts, opening public baths to a broader demographic (Tang et al., 2020). In recent decades, renewed interest in holistic healing and natural remedies has sparked a revival of these once-forgotten spas, particularly among individuals in urban centers with high-stress professions, such as banking, finance, insurance, and information technology. What was once a luxury reserved for the elite has now become widely accessible, valued for its benefits in promoting longevity and enhancing quality of life (Smith & Kelly, 2006; Iordache et al., 2013; Tang et al., 2020).

Spas have adapted to meet the changing dynamics of the tourism market, transforming into comprehensive wellness facilities offering diverse services, such as relaxation, detoxification, weight management, smoking cessation programs, sports activities, social interactions, cultural events, and culinary experiences (Milićević & Jovanović, 2015). While spa services represent a significant aspect of the wellness movement, they are only one component of the broader concept of wellness. To gain a comprehensive understanding of wellness tourism, it is essential to explore other practices aimed at enhancing physical, mental, and social well-being. In particular, traditional, complementary, and alternative treatments should be reconsidered as integral elements of the wellness experience.

2.3 Traditional, Complementary and Alternative Therapies

The holistic approach to health, particularly in the aftermath of the Covid-19 pandemic, has led to a significant surge in consumer demand for traditional methods outside of modern medicine to maintain health, improve fitness, and address personal challenges like stress and depression (Pereira et al., 2023). Additionally, the global rise in interest in healthy and sustainable lifestyles has further driven the growing use of traditional and natural methods (Osti & Goffi, 2021; Yu & Watson, 2024). WHO categorizes these practices, which have origins spanning thousands of years, as traditional and complementary medicine. According to WHO (2019), traditional and complementary medicine comprises “a set of knowledge, skills, and practices based on theories, beliefs, and experiences specific to different cultures, which may or may not be explained, used to prevent, diagnose, cure, or treat physical and mental diseases, as well as to maintain good health”. These treatments encompass methods that are either alternative or complementary to conventional medicine. Examples include yoga, acupuncture, massage therapies, hypnotherapy, Ayurvedic medicine, traditional Chinese medicine, tai chi, homeopathy, naturopathy, and functional medicine (National Center for Complementary and Integrative Health [NIH], 2021). Complementary therapies, such as acupuncture, are often used alongside conventional medicine to mitigate side effects; while alternative medicine can replace conventional treatments with traditional approaches, such as special diets prescribed instead of medications (NIH, 2021; NIH, 2024).

In its focus on the prevention of potential health issues and the promotion of overall well-being through proactive measures, wellness tourism primarily caters to individuals who are already healthy. It emphasizes improvements in lifestyle, including fitness, nutrition, relaxation, and traditional treatments (Tang et al., 2020). In contrast, medical tourism serves individuals seeking urgent or non-emergency treatments, such as surgeries, cancer therapies, dental care, and cosmetic procedures, for specific health conditions (Connell, 2006; Bookman & Bookman, 2007; Hunter, 2007; Smith & Puczko, 2014; Otamış & Yüzbaşıoglu, 2015). A critical distinction lies in motivations and approaches: medical tourism is reactive, addressing existing health concerns, whereas wellness tourism is proactive, focusing on maintaining health and preventing illness. Wellness tourists voluntarily visit facilities for well-being enhancement, undergoing expert evaluations to tailor services to their needs. In contrast, medical tourists typically pursue mandatory treatments. GWI (2024) emphasizes this contrast by defining medical tourism as reactive and wellness tourism as proactive, thereby underscoring their distinct purposes and contributions to health-focused travel. Despite their distinct characteristics, wellness and medical tourism are both widely acknowledged as subcategories within the broader domain of health tourism (Martins et al., 2023). In practice, the boundaries between these two forms of tourism often overlap, as individuals may integrate wellness practices with medical treatments during their travels, typically under professional guidance (Puczkó & Bachvarov, 2006).

Consequently, wellness tourism has emerged as a sector where traditional healing methods, essential for physical, psychological, emotional, environmental, and social well-being and renewal, are reimagined and offered in a modern context (Kessler et al., 2020; Antunes et al., 2022). Destinations incorporate traditional treatments into these offerings to enhance the overall experience by providing wellness tourists with highly comprehensive service packages including services like fitness, beauty treatments, healthy nutrition, meditation, rehabilitation, and spa therapies, all delivered under the supervision of health professionals (Milićević & Jovanović, 2015).

2.4 Wellness Tourism in Europe

In the late 1980s and 1990s, wellness tourism destinations were primarily located in Southeast Asia. However, in recent years, European countries have been gaining popularity, with Europe becoming a major hub, characterized by many inbound and outbound wellness tourists, significant wellness tourism spending, and a comprehensive wellness tourism supply (Mueller & Kaufmann, 2001; Koncul, 2012; Tang et al., 2020). The term “wellness” is now widely used across European countries (Tang et al., 2020). Many accommodation establishments position themselves as revitalizing retreats, describing themselves as wellness centers, wellness hotels, and wellness resorts to reflect a holistic approach to body, mind, and spirit (Chen et al., 2008). In Europe, where human well-being is viewed holistically (Ergüven, 2010), wellness services are tailored to reflect this philosophy. The provision of high-quality, luxurious services is a crucial competitive element (Mueller & Kaufmann, 2001; Kessler et al., 2020). However, the concept of wellness services can vary significantly from region to region (Kessler et al., 2020).

In many Central and Eastern European countries, wellness practices are predominantly spa-based, utilizing healing thermal waters. Countries such as Hungary, the Czech Republic, and Slovakia have made significant investments in traditional medical resorts. In Poland and Bulgaria, natural treatments are state-approved and categorized under therapeutic services, holistic health services, and alternative health services. In Southern and Western Europe, wellness methods often include sun exposure, sea air, the Mediterranean diet, outdoor activities, and thalassotherapy. Conversely, Northern Europe, with its limited natural healing resources, focuses more on relaxation activities, such as massages, saunas, and baths. Scandinavian countries, however, offer lakeside activities like walking, skiing, and swimming, even in winter (Puczkó & Bachvarov, 2006; Smith & Puczkò, 2009; Milićević & Jovanović, 2015).

Slovenia excels in health-themed resorts and spas, where all spas are part of the public health system. These facilities offer balneotherapy, physiotherapy, and a variety of modern wellness services. Traditional practices rooted in Eastern wisdom, such as shiatsu, reiki, Ayurveda, sawadee, watsu, scen tao, and hot stone massages, are provided exclusively by trained and certified professionals (Milićević & Jovanović, 2015). Finland and Estonia are also prominent spa destinations. Finnish spas combine wellness services with relaxation and entertainment to promote healthy lifestyles. Estonia, with its rich history in wellness services, attracts visitors with traditional spa therapies and medical treatments (Koskinen & Wilska, 2019).

Germany leads Europe in the number of wellness tourists, with Baden-Baden spas being key attractions. Southern Germany is renowned for its luxury wellness hotels, while Kneipp Therapy—involving hot and cold water applications—is a notable traditional practice (Ergüven, 2010). On the other hand, European countries not only attract international wellness tourists but also maintain vibrant domestic wellness tourism activities (Chen et al., 2008). Italy, being the second most popular wellness destination in Europe, primarily attracts tourists from Northern European countries like Austria, Switzerland, France, and Germany. Hungary's wellness tourism is defined by traditional baths, Turkish and Roman influences, natural treatments, diet centers, thermal waters, beauty treatments, eco and rural tourism, and sports activities (Milićević & Jovanović, 2015). Austria, Greece, Spain, Croatia, Switzerland, and France also offer competitive wellness opportunities (Puczkó & Bachvarov, 2006; Koncul, 2012). The south of France has been a favored destination for Northern Europeans since the 18th and 19th centuries (Smith & Kelly, 2006; Iordache et al., 2013).

Spas that integrate traditional and complementary wellness practices are key businesses in European wellness tourism (Puczkó & Bachvarov, 2006; Papadopoulou, 2020). Organizations like Europe SPA (europespa.eu), the European SPAS Association (europeanspas.eu), and TÜV Rheinland (tuv.com) play vital roles in maintaining service quality through quality management and accreditation services. To meet modern tourists' demands and remain competitive in the global market, Europe offers a diverse range of wellness options, complemented by quality accommodation, gastronomic offerings, sports, entertainment, and cultural activities (Milićević & Jovanović, 2015). While luxury hotels are significant players in the wellness tourism sector, modest service businesses also thrive. The European wellness tourism industry is also dynamic, continually developing new wellness products and enhancing service standards to cater to a diverse clientele (Koncul, 2012).

2.5 An Overview of Turkish Wellness Tourism

Türkiye dominates the global health tourism industry with a 19.5% revenue share (Grand View Research, n.d.), attracting 1.2 million health tourists in 2022, who generated $2.1 billion in health tourism revenue (USHAŞ, 2024). These figures highlight Türkiye's strong position in modern medical practices and its success as a global health tourism hub. The most sought-after specialisms among international patients include gynecology, internal medicine, medical biochemistry, aesthetics, general surgery, orthodontics, orthopedics, traumatology, infectious diseases, and ear, nose, and throat (Bilgiçli, 2024).

Türkiye's health tourism sector began its significant advance towards its current position after it was prioritized in state development plans. The Ministry of Economy introduced incentives for health tourism in 2015, followed by the publication of the Regulation on International Health Tourism and Tourist Health in 2017 (Türkiye Official Gazette, 2017). This regulation established minimum service delivery standards for health tourism by authorizing various institutions, including hospitals, medical centers, clinics, polyclinics, dental health centers, travel agencies, and physical therapy and rehabilitation centers.

A further milestone came with the 2018 Regulation on Physical Therapy and Rehabilitation Centers in Türkiye, which granted accommodation facilities authorization to operate as wellness-focused centers (Türkiye Official Gazette, 2018). These centers integrate modern, traditional, and complementary medical services, often utilizing thermal waters (Sertgöz & Uymaz, 2022). In addition to medical treatments, they offer various wellness services, such as beauty therapies, healthy nutrition programs, and outdoor activities (Yılmaz & Güneren, 2024). This development represents an important step in shaping Türkiye's wellness tourism sector. However, the strong emphasis on modern medical practices has, to some extent, overshadowed the country's rich traditional healing methods rooted in Anatolian cultural heritage, thereby limiting its appeal in the broader landscape of holistic wellness.

Anatolia, often referred to as the "cradle of civilization", has long been a cultural crossroads due to its strategic location between Europe, the Middle East, and Asia. This unique position has fostered the blending and coexistence of diverse traditions, beliefs, and practices over thousands of years. Türkiye, situated on Anatolia, embodies this rich cultural heritage, shaped by influences from shamanistic traditions, Greek and Roman mythology, and the customs of numerous civilizations. With the Turks' adoption of Islam, these traditions became even more diverse, integrating local customs with Islamic influences to form a multifaceted approach to health and healing.

Delving further into history, Ancient Anatolia was home to monumental health structures dedicated to Asclepios and other deities, where healing practices were closely tied to sacred spring waters. Patients bathed in mineral-rich waters as part of their treatment, alongside other therapeutic methods. The Asklepion of Bergama in İzmir, renowned for its healing waters and clean air, emerged as a key center of Anatolian temple medicine (Casson, 1974; Tuna & Özer, 2015). In Roman culture, psychotherapy and hydrotherapy played vital roles in treating obstetric, dermatological, and rheumatic diseases. Asklepion's physicians, known as Asclepiads, were regarded as descendants of Asclepios, with notable figures including Hippocrates, Galen, and Claudius. Treatments in these temples encompassed istikhara sleep therapy, water sound therapy, mud cures, healing waters, cupping, fasting, and music therapy (Kuşkonmaz, 2016; Turkish Culture Portal, 2021).

From the 10th to the 20th century, Turkish physicians extensively used music therapy to treat psychological disorders, drawing on the works of scholars like Razi, Farabi, and İbn-i Sina (Hatunoğlu, 2019). Treatments involved selecting melodies based on a patient's pulse and emotional state, often incorporating natural sounds like flowing water and birdsong for therapeutic purposes (Ergüven & Yılmaz, 2017). Additionally, Turkish musical traditions associated specific modes (maqams) with zodiac signs that influenced treatment choices—for example, Rehavi Maqam for headaches in Libras or Rast Maqam for paralysis in Aries (Şengül, 2014). Today, Türkiye legally recognizes various traditional treatments, including phytotherapy, chiropractic care, ozone therapy, mesotherapy, acupuncture, homeopathy, and music therapy. However, despite its historical significance, music therapy is not currently practiced in the country (Yılmaz & Güneren, 2024).

Meanwhile, the GWI's Wellness Geography Report (2023b) highlights European wellness destinations for their diverse offerings, such as saunas, mountaineering, climate therapy, and thalassotherapy. In contrast, Türkiye's wellness tourism reputation remains largely tied to Turkish baths, underscoring the country's underutilized potential. To fully capitalize on its rich wellness heritage, Türkiye must rediscover and integrate its traditional healing resources into modern wellness tourism. The present study addresses this need by exploring the development of a unique Turkish wellness model. It first assesses the perception of wellness tourism in Türkiye and then compares it to European countries, where similar services have gained greater success through more effective marketing strategies.

3. Methodology

3.1 Instrument and Procedure

In this study, the Word Association Test (WAT), a qualitative research method, was used to explore participants' perspectives on wellness tourism. WAT, widely applied across various fields to assess conceptual perceptions (Pranoto & Afrilita, 2018), has also been frequently used in tourism research (Karakuş et al., 2020; Ye & Jeon, 2020; Çetin & Bora, 2022; Gürbüz & Özer, 2022; Doğan & Onat, 2024).

To conduct the WAT, participants were provided with the keyword "wellness tourism" and asked to list 10 words or phrases that came to mind. To facilitate this, they were given semi-structured forms with "wellness tourism" written 10 times in one column, while they were instructed to write their responses next to each occurrence of the term. The keyword was written ten times vertically to minimize the risk of chain responses, which arises when participants base their subsequent answers on their previous responses instead of focusing on the given keyword each time (Yiğit & Kıyıcı, 2019; Karakuş et al., 2020).

Another key aspect of the method was ensuring spontaneity in the responses. After the study's objectives were briefly explained, participants were given a short period—approximately 30 seconds—to write down their immediate associations with wellness tourism. No additional information about the concept was provided beforehand. This approach allowed for an assessment of participants' existing perceptions of wellness tourism without any prior influence or preparation.

Afterward, the most frequently mentioned expressions related to wellness tourism were identified and organized using a word cloud, which visually represents the most commonly used words in a text, thereby helping to highlight key themes (Atenstaedt, 2012). This method enhances the understanding of words and concepts by displaying them in a visually engaging format (Karademir & Sivuk, 2023). The word cloud was generated using an online tool (wordclouds.com).

The obtained data were also systematically coded using the MAXQDA qualitative data analysis program. The program, offering researchers many opportunities for data coding and visualization, is frequently used in tourism studies (Demirel et al., 2022; Ferreira & Fernandes, 2023). Using MAXQDA's two-cases model, two document groups were compared in terms of frequencies (maxqda.com). Subsequently, the data were examined in detail, and main themes of wellness tourism were identified based on the literature.

3.2 Sample

Twenty-four sector representatives and academicians from Türkiye and Europe were interviewed either face to face or online. Using the WAT, participants were asked to list the words or expressions that came to mind when they thought of wellness tourism within the given time frame. Participants were selected through snowball sampling to ensure that the sample consisted of industry experts and academics who were highly representative of the target population.

4. Findings

4.1 Demographic Findings

Twelve experienced representatives in health tourism from various European countries were reached. The participants included academicians specializing in health tourism, particularly wellness tourism, as well as managers of accommodation businesses, intermediary institutions, and organizations operating in this sector.

Table 1. European Country Participants

n	Profession	Country	Work experience (years)
1	Tourism academic	Hungary	12
2	Tourism academic	Hungary	24
3	Tourism academic	UK	20
4	Travel agency manager	Bulgaria	10
5	Tourism business manager	Italy	20
6	Tourism business manager	Serbia	23
7	Tourism chief executive officer	Germany	35
8	Health tourism expert	Croatia	10
9	Health tourism consultant	Netherlands	20
10	Medical tourism facilitator	Sweden	18
11	Health tourism consultant	Austria	40
12	Tourism academic	Netherlands	22

Source: Survey's Data

As shown in Table 1, all participants have at least 10 years of experience in health tourism. The academics interviewed were researchers and educators specializing in health tourism, particularly wellness tourism, in various European countries. Participants identified as tourism business managers in the table included owners and managers of accommodation establishments offering thermal, spa, and wellness services. The health tourism consultants or facilitators were professionals connecting health tourists with service providers in the sector. These participants also play a significant role in shaping international health tourism by supporting health tourism facilities in gaining accreditation, guiding global health tourism initiatives, participating as panelists, and participating in industry trade fairs.

Table 2. Türkiye Participants

n	Profession	Work experience (years)
1	Hotel manager	12
2	Tourism academic	24
3	Health tourism consultant	20
4	Health tourism expert	10
5	Health tourism expert	20
6	Hotel business manager	23
7	Health tourism expert	35
8	Medical doctor	10
9	Hotel business manager	20
10	Tourism business manager	18
11	Hotel manager	40
12	Medical doctor	22

Source: Survey's Data

Table 2 lists the 12 health tourism experts reached in Türkiye. As well as academics, the participants included dentists and medical doctors providing medical tourism services in Türkiye.

Those identified as consultants are managers of organizations overseeing authorization certification for health tourism businesses, organizing panels, and supporting trade fair events. Hotel owners and managers holding a health tourism authorization certificate and a license for accommodation-based physical therapy and rehabilitation centers were also interviewed to draw on their potential high awareness of wellness tourism. However, only one senior hotel manager of these centers contributed to the study. The remaining business representatives were owners and managers of five-star hotels offering spa services.

Although one academic specializing in wellness tourism in Türkiye was included, efforts to directly reach a wellness tourism sector representative were unsuccessful. Nevertheless, the study successfully captured the perspectives of representatives from various segments of Türkiye's health tourism sector regarding wellness tourism.

4.2 Word Clouds

Although word clouds are increasingly used as a simple tool to identify key themes in written material, they have certain limitations. One of the most common issues is variation in how participants express similar concepts, including differences in spelling, special characters, or slight wording variations. For example, the method may fail to group terms with the same or similar meanings, such as "Covid-19" and "Covid 19" or "analysis" and "analyses" (Atenstaedt, 2012).

To address this limitation in the present study, words were first analyzed individually and then standardized to ensure consistency (Karademir & Sivuk, 2023). For instance, expressions like "healthy" and "good for health" were grouped under the label "healthy", while "relax" and "relaxation" were grouped under the label "relaxation". This process yielded 113 expressions from the European participants and 117 from the Turkish participants, with some entries containing missing or incomplete words.

The refined word list, related to the concept of wellness tourism, was then used to generate word clouds, as shown in Figures 1 and 2. Additionally, the most frequently mentioned expressions were compiled into word lists (Tables 3 and 4).

Figure 1 presents a word cloud for the expressions that participants from European countries associate with the concept of wellness tourism, while Table 3 lists in order of frequency the expressions that appeared at least three times in the participants' responses and were prominent in the word cloud.

Figure 1. Word Cloud for European Participants

Source: Survey's Data

As seen in Figure 1, health is naturally at the core of wellness tourism perceptions in Europe. This aligns with the findings of Smith & Puczkó (2014), which indicate that all spa and wellness customers maintain a strong commitment to health in their daily lives. The prominence of this concept is confirmed by its position in Table 3. Another key concept in the word cloud is relaxation, reflecting that Europe's spas have fostered a wellness culture centered on relaxation, self-care, and luxury services since the 19th century (Papadopoulou, 2020).

The European approach to wellness, which has evolved from spa traditions and embraces a holistic view of health (Ergüven, 2010; Saari, 2023), is once again reflected in these findings. Hence, it is unsurprising that concepts like spa, yoga, massage, trekking, pleasure, holistic, nature, regeneration, and treatment are prominent themes.

Table 3. Most Frequent Expressions about Wellness Tourism by European Participants

Expression	Frequency	Expression	Frequency
health	10	holistic	3
relaxation	7	trekking	3
good food	5	pleasure	3
yoga	4	healthy diet	3
massage	4	treatment	3
regeneration	4	nature	3
spa	4		

Source: Survey's Data

In summary, the results for the European participants confirm that spa culture remains central to European wellness services, while traditional Asian practices such as yoga and meditation are also widely embraced (Puczkó & Bachvarov, 2006; Smith & Puczkó, 2009; Milićević & Jovanović, 2015). Additionally, the frequent mention of expressions like diet and good food indicates that food and beverage services play significant roles in European wellness tourism. Indeed, numerous studies have demonstrated that high-quality, healthy, and locally sourced food are key components of wellness tourism (Ali & Ali, 2020; Saari, 2023; Yu & Watson, 2024).

Figure 2. Word Cloud for Turkish Participants

Source: Survey's Data

Figure 2 presents the word cloud for the Turkish participants' responses regarding wellness tourism in Türkiye. As with the European participants, health is the central concept associated with wellness. Although the term wellness tourism can be translated into Turkish as "healthy life tourism", its usage remains limited (Avcı & Şener, 2023). Nevertheless, it is evident that wellness tourism is strongly linked to health and well-being in both Europe and Türkiye.

As shown in Table 4, the key concepts that Turkish participants associate with wellness tourism include peace, spa, fitness, relaxation, massage, meditation, healthy nutrition, beauty, nature, yoga, and treatment. These findings suggest that expert perceptions of wellness tourism in Türkiye align closely with those of Europeans.

However, Turkish participants more frequently mentioned water, thermal, and tourism. This difference aligns with the existing literature on wellness tourism in Türkiye, which predominantly focuses on thermal tourism and thermal hotels (Kozak, 1992; Boyraz, 2019; Şengül & Bulut, 2019).

Table 4. Most Frequent Expressions about Wellness Tourism in Türkiye by Turkish Participants

Expression	Frequency	Expression	Frequency
health	8	healthy nutrition	4
peace	7	nature	4
spa	6	treatment	3
fitness	5	beauty	3
relaxation	5	yoga	3
water	5	thermal	3
massage	4	tourism	3

Source: Survey's Data

Türkiye ranks first in Europe in geothermal resources and third in spa applications. The prominence of Turkish baths on the GWI's map of global wellness tourism resources (GWI, 2023b) further reinforces the perception that wellness practices in Türkiye are strongly associated with water. While this perception aligns with the definition and scope of wellness tourism, it also indicates that Türkiye's wellness tourism sector is largely concentrated in services provided by thermal and spa hotels, as well as hamams (Turkish baths) within hotel spa facilities.

Additionally, many spas in Türkiye offer a variety of wellness services, including Far Eastern-origin massage therapies and internationally recognized treatments such as aromatherapy, vitamin cures, and ozone therapy (Aytekin et al., 2023; Yılmaz & Güneren, 2024). While these offerings suggest that the wellness tourism sector has developed in Türkiye, studies indicate that awareness among sector representatives regarding wellness tourism or healthy life tourism remains low (Siner & Torun, 2020; Armağan et al., 2023).

As a result, wellness practices in Türkiye appear to be less developed than those in countries known for their holistic wellness approaches. Notably, fitness and meditation were mentioned more frequently by the sector experts in Türkiye than their counterparts in Europe and are among the first expressions that come to mind when discussing wellness tourism in Türkiye.

The Turkish participants' frequent mentions of yoga and meditation—practices primarily associated with the Far East and Southeast Asia— are particularly intriguing. This trend may suggest that wellness is still perceived in Türkiye as a concept rooted in other cultures, rather than one that incorporates the country's own unique wellness traditions. This could indicate that Türkiye has yet to fully explore and promote its indigenous wellness resources.

4.3 Themes and Concepts in MAXQDA Two-cases Model

MAXQDA is a software for qualitative analysis that assists researchers in analyzing all types of data, such as interviews, focus groups, articles, and media. By systematically evaluating texts, the words and phrases can be counted (Marjaei et al., 2019). In the present study, a two-case analysis was conducted using MAXQDA to compare the results of Türkiye and European countries.

In MAXQDA, related expressions are grouped under predefined themes for data categorization. This is called thematic analysis (Sağlam & Kanadlı, 2021). Accordingly, in the present study, content-related expressions concerning wellness tourism were identified and systematically categorized using thematically appropriate categories based on the existing literature. Two academics independently reviewed the identified themes and re-evaluated the consistency and relationship between the data and the themes. They confirmed correspondence between the themes and the categorized expression groups, thereby increasing the findings' validity and reliability. Four main themes were identified, and relevant concepts were systematically coded under them using MAXQDA, as shown in Table 5.

Table 5. Themes and Concepts Related to Wellness Tourism

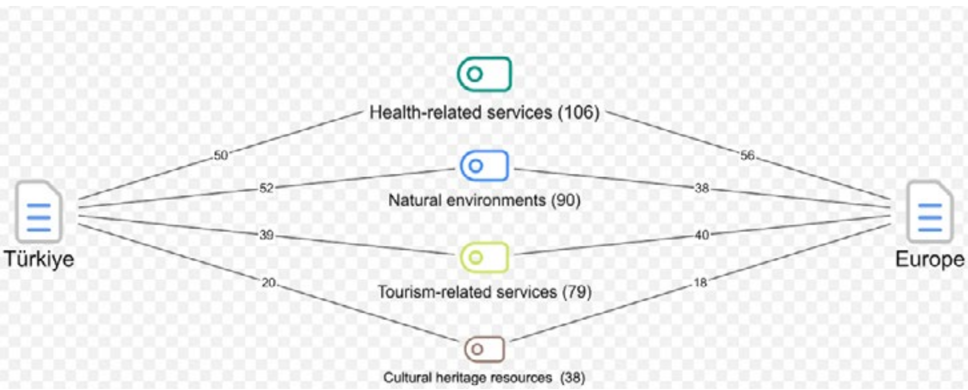
Theme	Concept
Health-related services	This theme refers to services and activities aimed at enhancing individuals' physical and mental well-being, such as health, yoga, massage, regeneration, healthy diet, treatment, holistic practices, fitness, healthy nutrition, and beauty.
Natural environments	This theme refers to nature-based experiences and resources, such as relaxation, spa, trekking, pleasure, peace, meditation, thermal environments, and water.
Tourism-related services	This theme refers to tourism-related services that enrich travel and accommodation experiences, such as relaxation, good food, pleasure, and peace.
Cultural heritage resources	This theme refers to health-related practices that are historically and/or culturally significant, such as yoga, meditation, and massage.

Source: Survey's Data

As shown in Table 5, wellness tourism extends beyond health and tourism services to encompass significant natural and cultural dimensions. The literature supports this multidimensional understanding, indicating that wellness tourism is fundamentally structured around health-related services, tourism services, natural environments, and cultural heritage resources (Johanson, 2004; Puczkó & Bachvarov, 2006; Smith & Puczkó, 2014; Santinha et al., 2015; Koskinen & Wilska, 2019; Kessler et al., 2020; Tang et al., 2020).

The four themes provided a coding framework for the subsequent categorization process. Concepts such as health and treatment were directly categorized under the health-related services theme, while terms like thermal environments and water were included under the natural resources theme. However, certain concepts were associated with more than one theme. For instance, massage was coded under both health-related services and cultural heritage resources, while relaxation could reflect either a tourism service—such as a stay in a peaceful hotel—or a nature-based experience. Consequently, some expressions were assigned to multiple themes, resulting in overlapping codes. This overlap led to differences in the frequency counts compared to those generated in the word cloud analysis. Figure 3 displays the thematic frequency comparison between Türkiye and Europe, generated through the two-case model in MAXQDA.

Figure 3. Comparative Analysis of Thematic Frequencies in Wellness Tourism between Türkiye and Europe



Source: Survey's Data

Figure 3 displays the two data sets from Türkiye and Europe, shown by document icons on the left and right, with the central section representing the total frequencies of the identified themes and associated concepts. In line with the word cloud results, the health-related services theme was the most prominent aspect of wellness tourism, mentioned 50 times by Turkish participants and 56 times by European participants, making it the most frequently cited theme overall (106 occurrences).

The natural environment theme ranked first in Türkiye and second in Europe. Its frequency in Türkiye was slightly higher than that for health-related services, reflecting a shared understanding in Türkiye that wellness tourism is inseparable from natural elements, consistent with the role of nature in traditional and complementary therapies (Kaya & Yılmaz, 2020). In Europe, nature was clearly mentioned less frequently than health.

The tourism-related services theme shows similar frequencies in Türkiye (39) and Europe (40). Its lower prominence in Türkiye, following health and nature, suggests that wellness tourism has yet to be fully integrated into the country's tourism sector, reflecting a gap in perception and practice (Siner & Torun, 2020; Armağan et al., 2023). In contrast, its equal emphasis alongside natural environments in Europe points to a more advanced integration of wellness practices within the tourism industry.

Despite higher overall awareness of wellness tourism in Europe, cultural heritage resources were the least cited theme in both regions. This is notable given that wellness tourism is rooted in traditional healing practices from Eastern, Western, and Middle Eastern cultures, such as massage, yoga, herbal medicine, and bath culture (Puczkó & Bachvarov, 2006; Koncul, 2012; Csirmaz & Pető, 2015). These findings reflect shared global trends while also highlighting the need for both Türkiye and Europe to revisit their traditional healing practices and expand the definition of wellness tourism beyond commonly cited practices like massage, yoga, and baths. Table 6 presents the total frequencies and percentages of each theme in Türkiye and Europe.

Table 6. Total Frequencies and Percentages of Themes in Türkiye and Europe

Themes	Frequency	Percentage
Health-related services	106	33,87
Natural environments	90	28,75
Tourism-related services	79	25,24
Cultural heritage resources	38	12,14
Total	313	100

Source: Survey's Data

Table 6 enables a general interpretation of the key components of wellness tourism based on responses from both groups. The findings indicate that health-related services constitute the most prominent component of wellness tourism, followed by the natural features of the destination and tourism-related services. Notably, in both the Türkiye and European cases, cultural elements of modern wellness tourism are comparatively less emphasized relative to other components.

5. Conclusion

Globally, wellness tourism is gaining momentum due to increasing awareness of sustainability and health-conscious lifestyles. Studies show that international wellness tourists are particularly drawn to treatments rooted in local traditions (Ali & Ali, 2020; Osti & Goffi, 2021; Yu & Watson, 2024). A successful wellness tourism experience depends on having a suitable natural environment and a comprehensive range of services, including healthcare, transportation, accommodation, dining, shopping, excursions, and recreational activities (GWI, 2018; Saari, 2023). These insights highlight the inherently interconnected structure of the health and tourism sectors, with natural and cultural assets forming essential dimensions of wellness tourism. Therefore, the effective development and management of this sector necessitate a holistic approach that takes all these interrelated factors into account. Many European countries, such as Belgium, Bulgaria, and Slovenia, have already implemented professional standards in wellness services, thereby enhancing both customer satisfaction and competitive positioning (Kuşluvan et al., 2019). Given its rich natural and cultural resources, Türkiye has considerable potential to position itself as a leading global destination in the wellness tourism market.

The literature review demonstrated the historical continuity of Anatolia's holistic healing practices, including music therapy, hydrotherapy, and herbal medicine, and revealed the evolution of Türkiye's treatment culture from Asclepions to Darüşşifas and its relevance to contemporary wellness tourism. However, Türkiye's health tourism sector lacks a distinct identity despite its deep-rooted history in traditional healing practices. Although wellness tourism is recognized by sector representatives in Türkiye, their reliance on European models rather than Anatolia's traditional healing heritage aligns with the study's results, which indicate a perception of wellness tourism similar to that in Europe. Moreover, although Türkiye possesses a rich and diverse wellness heritage, industry representatives have not actively promoted these unique assets. That is, these elements are not prominently featured in modern wellness tourism facilities. Instead, the sector continues to emphasize Turkish baths as its primary offering, while largely overlooking other traditional wellness practices rooted in Anatolian culture. This limited approach weakens Türkiye's competitive position against well-established wellness destinations that effectively promote their distinctive traditions.

The central argument of this study is that the prevailing perception of wellness tourism is shaped by products promoted by dominant countries. However, each destination possesses its own unique wellness traditions, which have the potential to enhance its competitiveness in the global market. To strengthen its position, Türkiye must redefine its wellness tourism model by integrating its traditional healing practices into contemporary wellness experiences. The concept of Darüşşifas, for example, has significant potential to enhance Türkiye's tourism branding and image, especially within the health tourism sector. To this end, the centers of traditional and complementary medicine practices, along with physical therapy and rehabilitation centers with accommodation, could integrate a broader range of historically rooted treatment methods. With the aim of positioning Türkiye as an international wellness tourism destination, these methods should be systematically promoted through comprehensive marketing strategies. This can enable Türkiye to establish a distinct wellness identity that both increases its market competitiveness and contributes to cultural preservation and local well-being.

Beyond the logic of the market, it should not be ignored that ancient healing methods offer social and natural benefits that can enable people to achieve a better quality of life despite living in a world characterized by increasing air pollution and climate change that is disrupting natural ecosystems. By revitalizing historically proven treatment practices that reflect the essence of Anatolia—its colors, scents, rhythms, and sounds—Türkiye can reinforce its brand image as a wellness destination while simultaneously improving the quality of life for local communities. In short, these ethical benefits of this tourism activity are also extremely important, apart from increasing the sector's profits and market share.

The findings of the study indicate the need for future interdisciplinary research to identify, preserve, and adapt Anatolia's ancient healing practices for modern tourism use. Using Türkiye as an example, it also suggests that other destinations should develop their own unique wellness concepts to strengthen their competitiveness in the global market.

5.1 Limitations

Naturally, this study has certain limitations. First, the busy schedules of sector representatives made it difficult to reach expert participants. While it was easier to access wellness tourism experts in European countries, the field in Türkiye is mostly dominated by professionals focused on medical tourism, both within the industry itself and in academia. Consequently, fewer Turkish wellness tourism experts were available, which limited the number of interviews that could be conducted. As well as being a limitation of the study, it also highlights a gap in the field of wellness tourism in Türkiye, thereby reinforcing the significance of the study's findings.

5.2 Highlights of the Study

- Wellness tourism is highly concentrated in Europe, North America, and Asia Pacific.
- General perception of wellness tourism consists of products that are highlighted by dominant countries.
- Wellness tourism is primarily shaped by the health and tourism sectors, along with the natural and cultural assets of the destination.
- It is suggested that destinations emphasize their unique and culturally embedded wellness practices
- Creating their own wellness concept will provide a significant advantage for developing destinations in their ability to compete with dominant markets.

ACKNOWLEDGEMENTS

The author of the viewpoint expresses her gratitude to Dan Kessler from Dongseo University, South Korea, for the inspiration with this research.

REFERENCES

Ali, T., & Ali, J. (2020). Factors affecting the consumers' willingness to pay for health and wellness food products. *Journal of Agriculture and Food Research*, 2, Article 100076. https://doi.org/10.1016/j.jafr.2020.100076

Antunes, V., Gonçalves, G., & Estevão, C. (2022). (Re)thinking thermalism in Europe from the strategic communication perspective: theoretical reflection. *GeoJournal of Tourism and Geosites, 44*(4), 1200–1208. https://doi.org/10.30892/gtg.44403-935

Armağan, M., Kayahan, B., & Yıldız Özer, A. (2023). Türkiye'de wellness kavramına ilişkin lisansüstü araştırmaların bibliyometrik analizi. *TOGÜ Sağlık Bilimleri Dergisi, 3*(3), 281-294. https://doi.org/10.52369/togusagbilderg.1251347

Arpacı, O. (2021). Traditional and integrative medicine practices approved by the Ministry of Health and Evaluation of the Compliance of These Practices with the Law. *Dokuz Eylul University Faculty of Law Journal, 23*(2), 1245-1307. https://doi.org/10.33717/deuhfd.998230.

Atenstaedt, R. (2012). Word cloud analysis of BJGP. *British Journal of General Practice, 62*(596), 148-148. https://doi.org/10.3399/bjgp12X630142

Avcı, M., & Şener, Y. (2023). Covid-19 pandemisinin sağlıklı yaşam turizmi üzerindeki etkileri ve sektördeki değişimler. *Turar Turizm ve Araştırma Dergisi, 12*(2), 112-137. https://dergipark.org.tr/tr/pub/turar/issue/81861/1391926

Aytekin, E., Ergün, B., & Staszewska, A. (2023). A comparison of spa and wellness facilities on the examples of Silesia region (Poland) and Afyon region (Türkiye). *Zeszyty Naukowe Akademii Górnośląskiej*, 12, 25-36. https://doi.org/10.53259/2023.12.02

Bilgiçli, İ. (2024). Evaluation of health tourism potential of Sakarya Province. *Journal of Gastronomy, Hospitality and Travel, 7*(2), 502-515. https://doi.org/10.33083/joghat.2024.416

Bookman, M. Z., & Bookman, K. R. (2007). *Introduction to Medical Tourism. Medical tourism in developing countries*. Palgrave Macmillan US.

Boyraz, M. (2019). Jeotermal kaynak kullanımı: Türkiye'deki termal oteller üzerine bir araştırma. *Safran Kültür ve Turizm Araştırmaları Dergisi, 2*(3), 372-385. https://dergipark.org.tr/en/download/article-file/912569

Casson, L. (1974). *Travel in the Ancient World*. George Allen & Unwin Ltd.

Chen, J. S., Prebensen, N., & Huan, T. C. (2008). Determining the motivation of wellness travelers. *Anatolia, 19*(1), 103–115. https://doi.org/10.1080/13032917.2008.9687056

Connell, J. (2006). Medical tourism: Sea, sun, sand and… surgery. *Tourism Management, 27*(6), 1093-1100. https://doi.org/10.1016/j.tourman.2005.11.005

Csirmaz, É., & Pető, K. (2015). International trends in recreational and wellness tourism. *Procedia Economics and Finance*, 32, 755-762. https://doi.org/10.1016/S2212-5671(15)01458-6

Çetin, B., & Bora, D. (2022). Evaluation of the concept of sustainable gastronomy tourism through the word associatıon test. *Journal of Gastronomy, Hospitality and Travel, 5*(4), 1561-1574. https://doi.org/10.33083/joghat.2022.220

Demirel, N., Çokal, Z., & Keskin, B. (2022). The effect of the pandemic on the performance of tourist guides and the practice of their professions: a qualitative study in the Cappadocia Region. *Anemon Muş Alparslan Üniversitesi Sosyal Bilimler Dergisi, 10*(1), 57-70. https://doi.org/10.18506/anemon.1003040

Doğan, Y., & Onat, G. (2024). Analysis of cognitive perceptions of the all-inclusive system in accommodation businesses using a word association test. *Journal of Tourism & Gastronomy Studies, 12*(3), 1927-1946. https://doi.org/10.21325/jotags.2024.1469.

Ergüven, M. H. (2010). Wellness, medical wellness ve turizm. *Sosyal ve Beşerî Bilimler Dergisi, 2*(2), 86-93. https://doi.org/10.18603-std.04626-117245

Ergüven, M., & Yılmaz, A. (2017). Development of Turkish wellness philosophy and reconsideration of sifahane concept: The case of the Darussifa of Beyazid II. *Nevşehir Hacı Bektaş Veli Üniversitesi SBE Dergisi, 7*(1), 27-37. https://dergipark.org.tr/en/download/article-file/317282

Ferreira, J., & Fernandes, P. O. (2023). The application of sustainable practices in tourism: the case of olive-growing in the region of Trás-os-Montes. *Journal of Tourism, Sustainability and Well-Being, 11*(3), 148-158. https://doi.org/https://doi.org/10.34623/3heq-wd30

Grand View Research. (n.d.). *Medical Tourism Market Size, Share & Trends Analysis Report by Treatment Type (Cosmetic Treatment, Bariatric Treatment), by Service Provider (Private, Public), by Country, and Segment Forecasts, 2023-2030.* https://www.grandviewresearch.com/industry-analysis/medical-tourism-market

Gürbüz, Z., & Özer, Ö. (2022). Turizm türlerinin kelime bulutu ile analiz edilmesi: Karakoçan ilçesi örneği. *Journal of Humanities and Tourism Research, 12*(2), 252-264. https://doi.org/10.14230/johut1203

GWI (2018). *Global Wellness Economy Monitor*. https://globalwellnessinstitute.org/industryresearch/2018-global-wellness-economy-monitor/

GWI (2023b). *Geography of Wellness*. https://globalwellnessinstitute.org/geography-of-wellness/

GWI. (2023a). *The 2023 Global Wellness Economy Monitor Data for 2019-2022*. https://globalwellnessinstitute.org/wp-content/uploads/2023/11/GWI-WE-Monitor-2023_FINAL.pdf

GWI (2024). *Wellness Tourism.* https://globalwellnessinstitute.org/what-is-wellness/what-is-wellness-tourism/

Hatunoğlu, A. (2019). Türk İslam hekimlerinin psikoloji biliminin gelişimine katkıları ve psikolojik hastalıklara tedavi yöntemleri. *The Journal of Academic Social Science*, 5, 255-263. https://doi.org/10.16992/ASOS.211

Hunter, W. (2007). Medical tourism: A new global niche. *International Journal of Tourism Sciences, 7*(1), 129-140. https://doi.org/10.1080/15980634.2007.11434599

Iordache, C., Ciochină, I., & Roxana, P. (2013). Medical tourism–between the content and socio-economic development goals. Development strategies. *Romanian Journal of Marketing*, 1, 31-42. https://research.ebsco.com/c/hmih47/search/details/egjxqeeedn?db=obo

Johanson, M. M. (2004). Health, wellness focus within resort hotels. *Hospitality Review, 22*(1-3), 22-29. https://digitalcommons.fiu.edu/hospitalityreview/vol22/iss1/3

Karademir, G., & Sivuk, D. (2023). Uluslararası literatürde sağlık turizmine ilişkin çalışmaların kelime bulutu analizi ile incelenmesi covid-19 öncesi ve sonrası. *Uluslararası Sağlık Yönetimi ve Stratejileri Araştırma Dergisi, 9*(2), 201-214. https://dergipark.org.tr/tr/pub/usaysad/issue/79641/1314633

Karakuş, Y., Onat, G., & Güneren Özdemir, E. (2020). Yerel halkın gastronomi turizmi çağrışımları ve beklentileri: Göreme Kasabası örneği. *Journal of Tourism and Gastronomy Studies, 8*(3), 2179-2201. https://doi.org/10.21325/jotags.2020.655

Kaya, R. R., & Yılmaz, N. (2020). Türkiye ve Hindistan'da geleneksel tıp uygulamaları: sağlık turizmi perspektifinden bir karşılaştırma. *Journal of Traditional Medical Complementary Therapies, 3*(3), 422-434. https://doi.org/10.5336/jtracom.2020-74760

Kelly, C. (2012). Wellness tourism: Retreat visitor motivations and experiences. *Tourism Recreation Research, 37*(3), 205-213. https://doi.org/10.1080/02508281.2012.11081709

Kessler, D., Lee, J. H., & Whittingham, N. (2020). The wellness tourist motivation scale: A new statistical tool for measuring wellness tourist motivation. *International Journal of Spa and Wellness, 3*(1), 24-39. https://doi.org/10.1080/24721735.2020.1849930

Koncul, N. (2012). Wellness: A new mode of tourism. *Economic Research-Ekonomska istraživanja, 25*(2), 503-534. https://doi.org/10.1080/1331677X.2012.11517521

Koskinen, V., & Wilska, T. A. (2019). Identifying and understanding spa tourists' wellness attitudes. *Scandinavian Journal of Hospitality and Tourism, 19*(3), 259-277. https://doi.org/10.1080/15022250.2018.1467276

Kozak, N. (1992). Termal turizm işletmeciliği ve önemi. *Anatolia: Turizm Araştırmaları Dergisi, 3(3),* 33-38. https://dergipark.org.tr/en/download/article-file/1007016

Kuşkonmaz, Ş. M. (2016). Bergama'da iki bin yıllık bir hastane ve bir hekim: Asklepion ve Galen. *Konuralp Medical Journal/Konuralp Tıp Dergisi, 8*(2), 147-150. https://doi.org/10.18521/ktd.99317

Kuşluvan, S., Yücel, O., Van Isacker, K., Dias, A. S., Grudeva, P., Nicasi, F., & Wltavsky, Z. (2019). Avrupa'da termal spa terapi uzmanı mesleğinin yeterlilik alanlarına ve eğitim ihtiyacına ilişkin bir araştırma. *Türk Turizm Araştırmaları Dergisi, 3*(1), 79-92. https://www.tutad.org/index.php/tutad/article/view/52

Marjaei, S., Yazdi, F. A., & Chandrashekara, M. (2019). MAXQDA and its application to LIS research. *Library Philosophy and Practice*, 1-9. https://www.proquest.com/scholarly-journals/maxqda-application-lis-research/docview/2236131089/se-2

Martins, P., de Jesus, S. N., Pocinho, M., & Pinto, P. (2023). Wellness tourism: a bibliometric analysis approach. *Journal of Tourism, Sustainability and Well-Being, 11*(4), 203-217. https://doi.org/https://doi.org/10.34623/p5ve-gw38

Milicevic, S., & Jovanovic, D. (2015). Wellness tourism-competitive basis of European health tourism destination. *DIEM: Dubrovnik International Economic Meeting, 2*(1), 851-863. https://hrcak.srce.hr/file/238267

Mueller, H., & Kaufmann, E. L. (2001). Wellness tourism: Market analysis of a special health tourism segment and implications for the hotel industry. *Journal of Vacation Marketing, 7*(1), 5–17. https://doi.org/10.1177/135676670100700101

NIH (2021). *Complementary, Alternative, or Integrative Health: What's in a Name?* https://www.nccih.nih.gov/health/complementary-alternative-or-integrative-health-whats-in-a-name

NIH (2024). *Complementary and Alternative Medicine.* https://www.cancer.gov/about-cancer/treatment/cam

Osti, L., & Goffi, G. (2021). Lifestyle of health & sustainability: The hospitality sector's response to a new market segment. *Journal of Hospitality and Tourism Management*, 46, 360-363. https://doi.org/10.1016/j.jhtm.2021.01.008

Otamış, P. A., & Yüzbaşıoğlu, N. (2015). Medikal turizm kümesinin gelişimi: Antalya örneği. *Journal of Management and Economics Research, 13*(1), 165-185. https://doi.org/10.11611/JMER426

Öztürk, E., Dömbekçi, H. A., & Ünal, S. (2020). Geleneksel tamamlayıcı ve alternatif tıp kullanımı. *Bütünleyici ve Anadolu Tıbbı Dergisi, 1(3),* 23-35. https://dergipark.org.tr/en/pub/batd/issue/57657/739554

Papadopoulou, G. (2020). SPA tourism in Europe: an economic approach. *Athens Journal of Tourism, 7*(3), 133-144. https://doi.org/10.30958/ajt.7-3-1

Pasipoularides, A. (2014). Historical continuity in the methodology of modern medical science: Leonardo leads the way. *International Journal of Cardiology, 171*(2), 103-115. https://doi.org/10.1016/j.ijcard.2013.11.133

Pereira, R., Costa, V., & Gomes, H. (2023). Health and wellness tourism: an overview of thermal tourism in Portugal. *Journal of Tourism, Sustainability and Well-being, 11*(3), 136-147. https://doi.org/10.34623/e2bm-8030

Pranoto, B. E., & Afrilita, L. K. (2019). The organization of words in mental lexicon: evidence from word association test. *Teknosastik, 16*(1), 26-33. https://doi.org/10.33365/ts.v16i1.130

Puczkó, L., & Bachvarov, M. (2006). Spa, bath, thermae: What's behind the labels? *Tourism Recreation Research, 31*(1), 83–91. https://doi.org/10.1080/02508281.2006.11081250

Saari, S. (2023). In search for new urban tourism niche. Could European cities be destinations for urban wellness providing food for body, mind and spirit? *Tourism and Hospitality Research, 23*(2), 226-238. https://doi.org/10.1177/14673584221086888

Santinha, G., Breda, Z., & Rodrigues, G. V. (2015, May). *Perspectives for medical tourism development in Portugal's central region in light of health care stakeholders' views* [Paper presentation]. International conference of the Tourism as a Tool for Sustainable Growth, Kos Island, Greece.

Sayar, K. (2015). Güzel ölme sanatı. *Sağlık Düşüncesi ve Tıp Kültürü Dergisi*, 36, 34-35. https://www.medipol.edu.tr/sites/default/files/document/SD_36_34-35.sayfalar_Kemal_Sayar.pdf

Sertgöz, Ö. G. B., & Uymaz, A. O. (2022, September) *Türkiye'deki sağlık turizmi yetki belgesi bulunan konaklamalı fizik tedavi ve rehabilitasyon merkezlerinin web sitelerinin değerlendirilmesi* [Paper presentation]. International Harran Health Sciences Congress-IV, Şanlıurfa, Türkiye.

Siner, G., & Torun, N. (2020). Sağlık turizminde termal turizm ve Spa-Wellness turizminin yeri ve önemi. *Erciyes Üniversitesi Sosyal Bilimler Enstitüsü Dergisi*, 48, 517-533. https://dergipark.org.tr/en/download/article-file/1191438

Smith, M., & Kelly, C. (2006). Wellness tourism. *Tourism Recreation Research, 31*(1), 1–4. https://doi.org/10.1080/02508281.2006.11081241

Smith, M., & Puczko, L. (2009). *Health and Wellness Tourism*. Elsevier.

Smith, M., & Puczkó, L. (2014). *Health Tourism and Hospitality: Spas, Wellness and Medical Travel*. Routledge.

Şengül, E. (2014). *Kültür tarihi içinde müzikle tedavi ve Edirne Sultan II. Bayezid Darüşşifası.* Edirne Valiliği Kültür Yayınları. Seçil Ofset.

Şengül, H., & Bulut, A. (2019). Sağlık turizmi çerçevesinde Türkiye'de termal turizm; bir swot analizi çalışması. *ESTÜDAM Halk Sağlığı Dergisi, 4*(1), 55-70. https://doi.org/10.35232/estudamhsd.505757

Tang, I. L. F., Chan, E., Chew-Tan, T., & Wong Leung, R. (2020). Asian Millennials' views on thermal baths – from medical to wellness service experiences. *International Journal of Spa and Wellness, 3*(2–3), 82–99. https://doi.org/10.1080/24721735.2021.1881353

Tuna, A., & Özer, M. C. (2016). Bergama Asklepion'unda bir sağaltım yöntemi olarak müzik. *Ege Üniversitesi Devlet Türk Musikisi Konservatuvarı Dergisi*, 7, 63-73. https://dergipark.org.tr/tr/download/article-file/747375

Turkish Culture Portal (2021). Bergama Asklepion Örenyeri – İzmir. https://www.kulturportali.gov.tr/turkiye/izmir/gezilecekyer/bergama-asklepion-orenyeri

Türkiye Official Gazette (2017). Uluslararası Sağlık Turizmi ve Turistin Sağlığı Hakkında Yönetmelik. https://www.resmigazete.gov.tr/eskiler/2017/07/20170713-3.htm

Türkiye Official Gazette (2018). Konaklamalı Fizik Tedavi ve Rehabilitasyon Merkezleri Hakkında Yönetmelik. https://www.resmigazete.gov.tr/eskiler/2018/05/20180515-12.htm

Tütüncü, S. (2017). Tıbbın alternatifi olmaz! In S. Tütüncü & N. Etiler (Eds.), *Geleneksel alternatif ve tamamlayıcı tıp uygulamaları* (pp. 275-288). Türk Tabipler Birliği Yayınları. www.ttb.org.tr/kutuphane/gatt_2017.pdf

USHAŞ (2024). Health Tourism Data. https://www.ushas.com.tr/en/saglik-turizmi-verileri/

Ünal, M., & Dağdeviren, H. N. (2019). Geleneksel ve tamamlayıcı tıp yöntemleri. *Eurasian Journal of Family Medicine, 8*(1), 1-9. https://doi.org/10.33880/ejfm.2019080101

WHO (1948). Constitution of the World Health Organization. https://www.who.int/about/governance/constitution

WHO (2019). WHO Global Report on Traditional and Complementary Medicine. https://www.who.int/health-topics/traditional-complementary-and-integrative-medicine#tab=tab_1

Ye, Z., & Jeon, H. Y. (2020). Chinese city brands and semiotic image scales: a tourism perspective. *Social Semiotics, 33*(1), 1-24. https://doi.org/10.1080/10350330.2020.1769405

Yılmaz, S. (2020). Türk toplumunda geleneksel tedavi yöntemlerinin faydasına inanma ve bu yöntemlere başvurma örüntüleri. *Ordu Üniversitesi Sosyal Bilimler Enstitüsü Sosyal Bilimler Araştırmaları Dergisi, 10*(3), 941-953. https://doi.org/10.48146/odusobiad.80948

Yılmaz, V., & Güneren, E. (2024). Physical therapy and rehabilitation centers with accommodation: an evaluation in terms of health tourism. In D. Gursoy, S. Volo, & M. Tuna (Eds*.), Advances in Managing Tourism Across Continents Proceedings Book* (pp. 136-146). Detay Yayıncılık.

Yiğit, E., & Kıyıcı, B. F. (2019). Öğretmen adaylarının öğretmen algısı. *Muğla Sıtkı Koçman Üniversitesi Eğitim Fakültesi Dergisi, 6*(1), 20-39. https://doi.org/10.21666/muefd.460666

Yu, M., & Watson, S. (2024). Market overview of health and wellness food products. In X. Du, & J. Yang (Eds.), *Flavor-associated applications in health and wellness food products* (pp. 3-19). Springer. https://doi.org/10.1007/978-3-031-51808-9_1

ORCID

Vildan Yilmaz https://orcid.org/0000-0001-8211-7082

Notes on contributors

Vildan Yılmaz, PhD, is an assistant professor with 16 years of academic experience. She specialized in competitiveness within tourism marketing during her master's and doctoral studies. Her PhD dissertation, completed in 2021, focused on competitiveness in medical tourism and received distinguished acclaim from the examination jury. Currently, Dr. Yılmaz continues her research across various dimensions of health tourism. In addition to her teaching role, she serves as a Board Member of the Health Tourism Research and Application Center at her university. She also plays an active role in national Health Tourism Association meetings and professional workshops.

JOURNAL OF TOURISM,
SUSTAINABILITY AND WELL-BEING
2026, VOL. 14, NO. 2, 129-149
ISSN: 2795-5044 | https://doi.org/10.34623/5856-5160

Evaluating the Role of Performance Management Practises in Driving Employee Performance in Addis Ababa's Four-Star Hotels

Demeke Kibru [1]
Mesfin Tesfaye [2]
Sukarn Sharma [3]

1. Hospitality and Tourism Management Department, College of Business and Economics, Wolkite University, Ethiopia
2. Banking and Finance Department, College of Business and Economics, Jimma University, Ethiopia
3. Department of Tourism and Hotel Management, College of Business and Economics, Jimma University, Ethiopia

ABSTRACT

This study examines how Performance Management System (PMS) practises affect employee performance in four-star hotels in Addis Ababa, Ethiopia. It investigates direct roles of performance planning, performance appraisal, ongoing feedback, and corrective action, and tests whether ongoing feedback and corrective action mediate these relationships. Survey data from employees were analysed using regression and parallel mediation analysis. The findings reveal that all four practises significantly predict employee performance, with corrective action and ongoing feedback emerging as the strongest unique predictors. Planning improves performance both directly and indirectly by enabling effective feedback and corrective action. In contrast, while the appraisal process has a direct effect on performance, its indirect influence occurs predominantly through the feedback it generates, with no significant pathway via corrective action. Overall, the study concludes that PMS functions most effectively as an integrated cycle in which participatory planning sets clear expectations for ongoing coaching and supportive corrective steps, rather than as set of isolated administrative events. Practical implications emphasise need for managers to prioritise collaborative goal-setting, institutionalise regular feedback, and ensure that appraisal discussions lead to concrete, developmental actions.

KEYWORDS

Performance Management System, Employee Performance, Ongoing Feedback, Corrective Action, Performance Appraisal.

ARTICLE HISTORY

Received 15 April 2025 Accepted 7 April 2026

CORRESPONDING AUTHOR CONTACT Sukarn Sharma, sukarnsharma@gmail.com, Department of Tourism and Hotel Management, College of Business and Economics, Jimma University, Ethiopia

1. Introduction

Employees are the organisation's most valuable asset and essential to business success; without a motivated, capable workforce an organisation cannot achieve its goals. To achieve its goals, an organisation requires a good team since they are the face, voice and heart of a business. Employees' high quality performance is reflected by their strong work ethics and professionalism (Zeray, 2022).

There is no doubt that employee performance is critical to the success of an organisation. Therefore, to measure how well an employee performs, an organisation implements a systematic evaluation called performance appraisal, which is a process of evaluating and documenting employee's progress towards the set goals (Hamidi, 2023). It includes; setting employee standard, assessing that performance against the standards, looking at employees' actual job performance, giving feedback to the employee on the performance, how to improve it in the future and setting new goals and expectations for the next period (Dessler, 2008).

An organisation considers the employee performance management system beneficial and can be used to maximise the potential of human resources (Hamidi, 2023). Many managers seek to find innovative ways within the company's performance management system (PMS) to motivate employees and evaluate their performance efficiently and effectively (Waleed, 2023).

Performance management is important for an organisation because it helps the organisation ensure employees are working ambitiously to accomplish the organisation's main goals and objectives. A performance management system gives a completed and expert management procedure for an organisation to evaluate the performance results of organisations and employees (Said et al., 2021).

For organisation to ensure continued effectiveness and efficiency of its employees, every organisation has to carry out employee performance from time to time so as to keep employees in check and replace, retrain, motivate and take any other appropriate action. The main challenge that many organisations face is to maximise staff performance. Hence, performance management seems to be inevitable. In the absence of structured performance management system organisations will tend to judge work performance of employees in informal way. The human inclination to judge without structured performance management system can create serious ethical, motivational and legal issues in the organisation. Without a structured appraisal system there is no chance of ensuring that decisions made are fair, accurate, lawful and defensible (Judy, 2018).

Since human resources are essential to the establishment's success as well as the health of the national economy, inaccurate performance reviews have grown to be a major problem since they demotivate staff and increase employee turnover, which ultimately hurts organisational performance. Due to insufficient supervisory input, delayed evaluations, and inexperienced appraisers and staff, performance management systems are not applied well in Ethiopia's hotel industry. Initial surveys and unofficial observations in a few star-rated Addis Ababa hotels have shown that supervisory, clerical, and non-clerical staff evaluations, which are only done twice a year using standardised forms, are out of date and do not offer insightful feedback that could help with training, motivation, or recognition.

Furthermore, even though the current systems are linked to larger organisational and corporate objectives, they do not include subordinates in the goal-setting process, which leaves employees unsure of their strengths and areas for improvement. This study, therefore, seeks to provide meaningful insights into how performance management influences employee performance, thereby offering practical guidance for enhancing performance management practises within the four star rated hotels in Addis Ababa.

2. Literature Review

There is generally no universal definition of the concept of performance management. However, a review of definitions of performance management shows that the different definitions proposed by various authors are tailored toward the same direction. For instance, Armstrong (2014) defined performance management as a tool for acquiring desired outcomes for the organisation according to the standards that have been told by the management to their employees. Satter et al., (2018) defines performance management as "the process of measuring and managing the performance of individuals and teams, monitoring, assessing and providing a fair remuneration to members". Ilias et al. (2016) defines performance management as a system to achieve goals and to ensure that organisational activities are in line with the direction of the strategy. Besides, Gerrish (2016) describes performance management as a system or mechanism which assists organisations to develop work exceptions and objectives for the organisations.

2.1 Performance Management Systems

Performance management system (PMS) is defined as the formal, information-based routines and procedures managers use to maintain or alter patterns in organisational activities (DeWaal, 2003). PMS also is taken as dynamic and balanced system which helps in the process of decision making by collecting, analysing and monitoring information related to performance. Performance management systems can be used administratively as a source of information for making decisions about employees. They allow for communication of expectations and feedback to employees. They provide information relating to employee strengths and weaknesses and in so doing enable the identification of development needs and recommend remedial action. Good performance management systems yield information about skills, abilities and employee potential which can be used in workforce planning (Aguinis, 2013). This inherent feedback system enables management to see things from the employees' point of view so they can make necessary adjustment to improve upon the entire organisations process (Hvidman & Anderson, 2016).

Jenifa (2014) studied the "Impact of Performance Management Systems on Employee's Performance, A Case Study of University of Arusha". It came out clearly from the findings that PMS has an impact on employee performance. It was revealed that PMS has changed the way employees works in terms of imparting knowledge and skills through training and mentoring. It has helped them feel empowered in terms of rewarding them for the good work done. PMS has helped to differentiate achievement among employees at all levels, thus driving discretionary effort.

Samwel (2018) assessed the impact of performance management on employee and organisation performance in the case of selected private organisations in Tanzania. The study findings revealed that there is a significant relationship between performance management and employee performance as well as between performance management and organisational performance.

Listiani and Kartini (2015) analysed the effect of performance management on organisational performance of 30 local companies in Indonesia-java using Structural Equation Model (SEM). The result showed that performance planning, performance appraisal and feedback positively affect the performance of organisations both in financial and non-financial dimensions of organisational performance.

Mintesinot (2021) studied the effect of performance management system on employees' performance the case of Addis Ababa City Government Revenue Bureau. The findings of the study revealed that goal setting, performance appraisal, feedback, reward and purpose of PMS have a significant and positive relation with the performance of employees in the organisation.

A positive relationship with employee performance can be supported through a well-structured and strategically aligned performance management system. In the literature, performance management is commonly conceptualised as a continuous, cyclical process rather than a one-off annual event, involving interdependent stages such as performance planning (setting goals and expectations), ongoing performance monitoring and feedback, and formal performance assessment that evaluates outcomes against agreed standards (Pulakos, 2009; Aguinis, 2013). Throughout this cycle, regular developmental feedback, coaching dialogue, and corrective action provide opportunities for employees to refine their performance and address gaps (Pulakos, 2009). When effectively implemented, these processes help ensure alignment between individual efforts and organisational objectives, contributing to improved employee performance (Aguinis, 2013).The determinant variables of performance management systems, namely performance planning, the performance appraisal process, ongoing feedback, and taking corrective action, are presented below.

2.1.1 Performance Planning

Performance planning is a critical component of performance management systems that significantly impacts employee performance. It involves setting clear objectives, defining roles, and establishing expectations, which helps employees, understand their responsibilities and align their efforts with organisational goals. Effective performance planning can enhance employee engagement and motivation by providing a structured framework for employees to follow, thereby improving their productivity and performance outcomes (Mcafee & Champagne, 1993; Ako & Baiye, 2023). According to Aguinis (2013) performance planning refers to the plan for the performance appraisal that span the steps from early setting objectives to detailed methods of measuring performance against these objectives that requires also the agreement between managers and individual employees. If the planning process is participatory, in turn it results in positive effect on employee performance. Based on the above discussion, the following hypothesis is suggested.

H1. Performance planning has a positive and significant effect on employee performance.

2.1.2 Performance Appraisal Process

According to Rudman (2003), performance appraisal is a critical factor in an organisation in enhancing the performance of the employee. Further, there is a strong connection between how firms manage their employees and the organisational results they achieve. Boswell and Boudreau (2000) "contend that the human nature is in constant need of recognition and when they are recognised, either positively or negatively; it spurs them to do more". It is contended that one of the instruments through which managers motivate their employees is the use of an effective PAP (Performance Appraisal Policy). Tyson and York (2000) state that when employees recognise how their individual roles function within the framework of a team, they can more effectively contribute to the whole organisation. Therefore, the following hypothesis was developed in light of the discussion above:

H2. Performance appraisal process has a positive and significant effect on employee performance.

2.1.3 Ongoing Feedback

Scholars believe that feedback is most likely to bring-in positive changes in behaviour when it is presented in a supportive manner and is specific about the behavioural and performance improvements needed. An effective performance management system should be able to align itself with the organisation's strategic goals and the provision of continuous feedback helps employees to improve their performance in line with the organisational goals (DeCenzo & Robbins, 2010; Noe et al., 2016). Through the provision of continuous feedback, a performance management system can be effective in helping people understand (Armstrong, 2006b). While the importance of providing feedback on a regular basis for performance improvement is unanimously agreed, Pulakos (2009) has insisted that "for feedback to have value, it needs to be given in close proximity to the event. It does not help employees to receive feedback nine months after something has happened. And an employee's performance will not likely improve by itself while the manager waits for the end-of-year review to say something. Research has shown that in organisations where employees report higher levels of ongoing, informal feedback, performance levels are higher." Therefore, the following hypothesis has been posited:

H3. Continuous feedback has a positive and significant effect on employee performance.

2.1.4 Taking Corrective Action

Corrective action plays a crucial role in enhancing employee performance by addressing and rectifying behaviours or performance issues that do not meet organisational standards. Research indicates that corrective action, when implemented effectively, can significantly influence employee performance (Nugroho & Muhamad, 2016). However, the effectiveness of corrective action is contingent upon its implementation. It should be part of a broader performance management strategy that includes timely feedback and does not overly restrict employee autonomy, as excessive control can diminish intrinsic motivation (Christ et al., 2012). Moreover, corrective action should be communicated in a manner that is constructive and aimed at fostering improvement rather than merely highlighting deficiencies. This approach not only helps in correcting performance issues but also in maintaining employee morale and motivation, which are essential for sustained performance improvements (Ilgen & Davis, 2000; McCrie, 2022). Overall, corrective action, when applied thoughtfully, can be a powerful tool for enhancing employee performance and aligning individual efforts with organisational goals. The following hypotheses have therefore been put forth:

H4. Taking corrective action has a positive and significant effect on employee performance.

2.1.5 The Mediating Role of Ongoing Feedback and Corrective Action

While the direct relationships between performance management practises and employee performance are well-established (Aguinis, 2013; Samwel, 2018), the underlying mechanisms that explain how these practises influence outcomes require further investigation. The literature suggests that performance planning and the appraisal process are not merely isolated administrative events but are part of a dynamic cycle driven by ongoing managerial interactions (Pulakos, 2009). Specifically, effective performance planning sets clear expectations. To remain relevant, these expectations require regular updates and guidance operationalised through ongoing feedback to keep employees on track (Noe et al., 2016). Similarly, the formal appraisal process provides a structured forum for delivering feedback and identifying areas that require improvement (DeCenzo & Robbins, 2010). Furthermore, both planning and appraisal offer the standards and diagnostic information needed to trigger corrective action when performance deviates from expectations (Aguinis, 2013; Nugroho & Muhamad, 2016).Therefore, it is proposed that the positive effects of performance planning and the appraisal process on employee performance are transmitted through the mediating mechanisms of ongoing feedback and corrective action.The following mediation hypotheses are posited:

H5. Ongoing feedback mediates the positive relationship between performance planning and employee performance.
H6. Corrective action mediates the positive relationship between performance planning and employee performance.
H7. Ongoing feedback mediates the positive relationship between the performance appraisal process and employee performance.
H8. Corrective action mediates the positive relationship between the performance appraisal process and employee performance.

2.2 Employee Performance

Afshan et al. (2012) defined employee performance as the accomplishment of specific tasks as measured against predetermined or identified accuracy, completeness, cost, and speed standards. Employee performance can be measured in terms of increased productivity, ease of use of new technology, and highly motivated employees, while employee performance is described as an organisation's outcome or contribution to achieving goals. Performance may also be used to define what an organisation has accomplished in terms of process, results, relevance, and success. According to Armstrong (2009) performance can be regarded as simply the record of outcomes achieved. On an individual basis, it can be a record of the person's accomplishments.

Studies have shown that clear performance planning aligns employee goals with organizational objectives, while ongoing feedback and timely appraisals foster a culture of improvement and motivation (Siraj & Hágen, 2023; Pandey, 2024). Moreover, the implementation of effective corrective actions ensures that performance gaps are addressed promptly, leading to sustained employee growth and higher productivity (Mdhlalose, 2023).

3. Methodology

3.1 Research Approach and Design

The primary objective of this research was to investigate the effect of performance management system on employee performance in chosen star-rated hotels in Addis Ababa. To attain this study used descriptive and explanatory research designs with a quantitative approach.

The explanatory design was implemented to examine the effects and relationships between several independent variables such as performance planning, continuous feedback, the performance appraisal process, and corrective action with the dependant variable, employee performance. Meanwhile, the descriptive design facilitated in collection of information that explains the characteristics of the problem of interest. Adopting a quantitative approach enabled the examination of numerical relationships between variables employing a variety of statistical and graphical tools, as emphasised by Plano and Creswell (2015).

3.2 Target Population, Sampling Technique and Sample Size

The study's target population was permanent employees at selected four star hotels in Addis Ababa who are evaluated or impacted by the hotel's performance management system. These employees were chosen because they could give genuine and relevant information about the effectiveness of the performance management systems at their individual hotels.

According to the 2023/24 EZEGA Business Guide, Addis Ababa has fifty-five (55) four star hotels. However, the sampling frame was reduced to include only four-star hotels that have been operational for at least twenty years, from 2004 to 2024. The argument for choosing hotels with at least two decades of experience is based on the notion that these businesses are more likely to have mature and well-developed performance management systems. Long-standing hotels also have more consistent organisational practises, which makes it easier to analyse the relationship between performance management systems and employee performance. Out of the 55 hotels, fourteen (14) met the requirement for at least twenty years of continuous operation.

The study used a multi-stage non-probability sampling approach. In the first stage, seven four-star hotels that had operated for at least 20 years were purposively selected from the fourteen hotels meeting the inclusion criterion; hotels were invited to participate and those that agreed were included (convenience/purposive selection). In the second stage, employees within each participating hotel were sampled proportionately according to hotel size (proportionate stratified sampling of volunteers). Because the first stage is non-probability (purposive/voluntary), the combined procedure is described as multi-stage non-probability sampling. Stratified random sampling was used to fine-tune the target population so as to give equal chance and to avoid under or over representation of employees from a single hotel. On 15th October 2024 there were 637 employees in the selected four star hotels in Addis Ababa. To determine this representative sample size, the researcher used Yamane's (1967) sample size determination formula. This formula is useful for determining the proper sample size when the whole population is known. The formula is calculated as follows:

N = N/1+N (e)^2

$$n = \frac{637}{1 + 637(0.05)^2} = 246$$

Accordingly, the table 1 below shows the proportionate sampling for each hotels based on the above given formula. The 246 sample employees were dispersed among chosen star-rated hotels in Addis Ababa city. Accordingly, the table below shows the proportionate sampling for each hotel based on the above given formula $n1 = \frac{n1}{N} * 100$

Table 1. Population and Sample Size for Each Hotel

No.	Name of the hotel	Population size	Sample size
1	Dreamliner Hotel	90	$= \frac{90}{637}$*100 =14.13, then 14.13% 246 = 35
2	Ambassador hotel	86	$= \frac{86}{637}$*100 =13.50, then 13.50% 246 = 33
3	Friendship hotel	91	$= \frac{91}{637}$*100 =14.29, then 14.29% 246 = 35
4	Gate fame Hotel	89	$= \frac{89}{637}$*100 =13.97, then 13.97% 246 = 34
5	Harmony Hotel	90	$= \frac{90}{637}$*100 =14.13, then 14.13% 246 = 35
6	Intercontinental Hotel	95	$= \frac{95}{637}$*100 =14.91, then 14.91% 246 = 37
7	Washington hotel	96	$= \frac{96}{637}$*100 =15.07, then 15.07% 246 = 37
Total		637	246

Source: Ethiopian Ministry of Tourism, 2024

3.3 Data Type and Sources

For the purpose of addressing the study objectives primary and secondary data were used. The primary data were collected through structured questionnaire from the employees. On the other hand, the secondary data were collected from sources like reviews of related literature, published journals, internal records, pertinent documents, websites, human resource books, brochures, annual reports, periodicals, articles, and other available sources.

3.4 Data Collection Instrument

To get full support in overseeing and collecting the data, first contact were made with the human resource department of the organisation. Then, the respondents were informed about the purpose of the study and how to complete the questionnaire. In addition, during the administration of the questionnaire, a clarification for some questions was given to the respondents to avoid doubts and confusion. Participation in the study was fully voluntary, and the questionnaire contained a cover page describing the purpose and value of the research, as well as a statement that no personal identification of employees would be disclosed. Items in the questionnaire were reviewed by three industry experts (two hotel HR managers and one academic in HRM) for clarity and relevance; minor wording changes were made to ensure contextual fit. A pilot test (n = 10 employees) checked item clarity; no items were removed but two items were reworded for comprehension. The filled-out questionnaire results were collected and systematically organised. Finally, the collected data were edited through data cleaning, coding & data verification and analysed quantitatively.

3.5 Method of Data Analysis and Presentation

The data was analysed using version 21 of the Statistical Package for the Social Sciences (SPSS) software, which was used to detect errors and omissions, as well as assure the data's accuracy and completeness. The data analysis technique for this study involved both descriptive and inferential statistics techniques. The study variables were summarised and described using descriptive statistics including mean, and standard deviation. The Inferential statistics included Pearson's correlation coefficient that was used to determine the relationships between performance management system variables and employee performance. Regression analysis was also used to investigate the effect of performance management system on employee performance. In addition a parallel mediation analysis was conducted in Jamovi with bias-corrected bootstrap confidence intervals (2,000 resamples) to examine whether ongoing feedback and corrective action mediated the relationships between performance planning, the performance appraisal process, and employee performance.

3.6 Reliability

The internal consistency of questionnaires was assessed using a reliability analysis. There are various ways of reliability testing. Cronbach's alpha was employed in the present study. Table 2 displays the reliability measures for each of the main variables to facilitate data analysis.

Table 2. Reliability Statistics

Variables	Cronbach's Alpha	No of Items
Performance Planning	0.784	4
Performance appraisal process	0.739	9
Ongoing feedback	0.780	7
Corrective action	0.856	6
Employee performance	0.911	9

Source: Survey's Data, 2024

According to the table above, all performance management system variables and employee performance were rated as good because the reliability score for each variable was greater than 0.70. This suggested that the Cronbach's alpha coefficients for all variables were within an acceptable range, indicating internal consistency.

4. Results and Discussion

4.1 Descriptive Statistics

The descriptive statistics of performance management and employee performance are given below:

4.1.1 Descriptive Statistics of Performance Management

Several interconnected aspects influence effective performance management at chosen star-rated hotels in Addis Ababa. Employees report that active participation in performance planning is quite motivating (M=3.84, SD=1.57), however discussions about individual improvement areas are slightly less emphasised (M=3.58, SD=1.55). The performance appraisal procedure is generally seen as a reasonable representation of actual work performance (M=3.87, SD=1.58), though some doubt persists regarding the clarity of the measurement standards (M=3.53, SD=1.66). Regular, continuing feedback is valued, particularly when it focusses positive reinforcement (M=3.85, SD=1.50), but there is opportunity to improve the consistency of feedback for subordinates regarding their performance (M=3.60, SD=1.55). Corrective actions, such as demotion, are also acknowledged as vital to maintaining high performance standards (M=3.87, SD=1.51), despite occasional irregularities in their implementation (M=3.63, SD=1.62).

Furthermore, the findings show that, on aggregate, corrective action has the highest mean distribution (M=3.78, SD=1.59), highlighting its perceived relevance in sustaining and improving performance standards. In contrast, the performance appraisal process has the lowest mean distribution (M=3.68, SD=1.63), which may indicate that its criteria and processes need to be refined or communicated more clearly. Overall, while integrated performance management approaches are typically beneficial, there is always room to improve clarity and consistency in order to further boost employee growth. Please see table 3.

Table 3. Descriptive Analysis of Performance Management (N=242)

Performance Planning	**Mean**	**SD**
The performance planning process in my organisation is participatory	3.64	1.57
Participating in the planning process motivates me highly to perform towards achieving the goal set by the organisation	3.84	1.57
The consultation process in the development of the performance management system is highly appropriate	3.69	1.56
Discussions takes place between manager and individual on what the latter needs to do to achieve the agreed goals, raise standards, improve performance, etc.,	3.58	1.55
Aggregate mean	3.69	1.56
Performance Appraisal Process	**Mean**	**SD**
My last performance result correctly represents how well I have performed in my job	3.76	1.65
I evaluated based on the previously set objective standards without subjectivity and bias	3.68	1.67
My performance appraisal result provided me a fair reflection of my performance	3.87	1.58
The performance appraisal process of my company is free from discrimination and favouritism	3.81	1.51
There is a feeling of equity and fairness among employees regarding performance appraisal process	3.57	1.71
There is clear a predetermined standard & criteria based on which employee performance is measured	3.53	1.66
I have clear understanding about the performance measurement process	3.63	1.62
My performance has been evaluated regularly	3.58	1.67
I have full understanding of the performance appraisal process	3.71	1.64
Aggregate mean	3.68	1.63
Ongoing feedback	**Mean**	**SD**
Manager/Supervisors gives me fair feedback on my performance	3.77	1.68
Manager/Supervisors discusses job performance result regularly	3.68	1.70
Feedback received from manager/supervisors has a direct impact to improve my effort	3.73	1.64
Positive feedback is emphasise for good performers than criticising the poor ones	3.85	1.50
I agreed with the feedbacks receive from managers/supervisors against actually achieved	3.79	1.39
Feedback received by subordinates for their performance is fair compared to their effort	3.60	1.55
Feedback generated by performance Management system is reflective of my effort	3.64	1.66
Aggregate mean	3.72	1.59
Taking Corrective action	**Mean**	**SD**
Performance appraisal is used as a decision making tool for termination and layoff	3.85	1.63
Performance results affect promotional opportunities	3.78	1.62
Appreciation and being praised by your supervisor for high performer employees increase their success at work	3.74	1.60
Managers are not applying performance appraisal results for employee promotion, demotion and/or termination purposes	3.63	1.62
Supervisors recommend training for low performers	3.80	1.58
Supervisors recommend demotion for frequently below average performer	3.87	1.51
Aggregate mean	3.78	1.59

Source: Survey's Data, 2024

4.1.2 Descriptive Statistics of Employee Performance

The findings show that employees generally rate their performance and organisational support positively, with mean ratings ranging from 3.57 to 3.87. Employees feel competent in their roles (M=3.87, SD=1.56) and felt that their organisation supports them in reaching their full potential (M=3.79, SD=1.61), but perceptions of accountability (M=3.63, SD=1.69) and meeting performance goals (M=3.59, SD=1.65) were slightly lower that highlight potential areas for improvement. The results are presented in table 4 below:

Table 4. Mean and Standard Deviation for Measures of Employee Performance

Employee performance	Mean	SD
My organisation support employees to work to the best of their potential	3.79	1.61
I execute well in my overall job by performing tasks as expected	3.87	1.56
The organisation is capable of capitalising employee abilities	3.77	1.52
I could manage additional responsibility in my job than is usually allotted to me	3.74	1.53
I am capable of working with others cooperatively	3.76	1.63
I am held accountable for achieving specific results	3.63	1.69
I usually achieve my performance goal	3.59	1.65
I spent minimum effort and time to complete my job	3.70	1.62
Understanding my target allow me to focus on my work and to have high performance	3.57	1.61
Aggregate mean	3.71	1.60

Source: Survey's Data, 2024

The descriptive pattern with moderately high means across performance planning, appraisal, ongoing feedback and corrective action indicates that star-rated hotels in Addis Ababa possess formal PMS elements but still have important implementation gaps, particularly in clarity and consistency of standards and follow-up; this aligns with Aguinis (2013) and Pulakos (2009), who stress that presence of PMS components alone is insufficient without clear standards and frequent managerial interaction. Item-level results show that participatory planning appears motivating while appraisal criteria remain less clearly communicated a combination that supports motivation yet weakens the diagnostic value of appraisals (Mcafee & Champagne, 1993; Judy, 2018). The relatively higher aggregate mean for corrective action suggests organisations are more consistent in linking appraisal results to tangible outcomes, including both administrative decisions (e.g., demotion, promotion) and developmental support (e.g., training). However, theory cautions that for corrective measures to be fully effective, they must be paired with timely, developmental feedback to avoid undermining intrinsic motivation (Ilgen & Davis, 2000; Christ et al., 2012; Nugroho & Muhamad, 2016). Finally, employee self-ratings reveal generally positive capability and perceived organisational support but somewhat lower accountability and goal attainment, pointing to likely implementation shortcomings such as vague targets or irregular follow-ups that prevent competence from consistently translating into achieved goals (Pulakos, 2009; Aguinis, 2013).

4.2 Correlation Analysis

A Pearson correlation analysis (N = 242) revealed significant and positive relationships between employee performance (EP) and all the independent variables: performance planning (PP; r = 0.645, $p < 0.01$), performance appraisal process (PAP; r = 0.548, $p < 0.01$), ongoing feedback (OGF; r = 0.660, $p < 0.01$), and corrective action (CA; r = 0.680, $p < 0.01$). EP showed the strongest correlation with CA (r = 0.680), followed by OGF (r = 0.660), PP (r = 0.645), and PAP (r = 0.548). Significant inter-correlations were also observed among the predictors. PP correlated strongly with PAP (r = 0.600, $p < 0.01$) and moderately with OGF (r = 0.491, $p < 0.01$); CA demonstrated moderate correlations with PP (r = 0.349, $p < 0.01$) and OGF (r = 0.401, $p < 0.01$), and a weak correlation with PAP (r = 0.213, $p < 0.01$). All correlations were significant at the 0.01 level (two-tailed), indicating consistent linear associations among the variables. These results suggest that structured performance-management practises particularly corrective action and ongoing feedback are strongly associated with employee performance, while performance planning and appraisal processes also contribute to this relationship. Nevertheless, because correlation does not imply causation, further regression and mediation analyses are needed to determine the unique effects and underlying mechanisms. See table 5 below:

Table 5. Pearson Correlation coefficients between dependant and independent variables (N=242)

Variable	PP	PAP	OGF	CA	EP
PP	1				
PAP	0.600**	1			
OGF	0.491**	0.428**	1		
CA	0.349**	0.213**	0.401**	1	
EP	0.645**	0.548**	0.660**	0.680**	1

Note. PP = Performance Planning; PAP = Performance Appraisal Process; OGF = Ongoing Feedback; CA = Corrective Action; EP = Employee Performance.
**p < 0.01 (2-tailed).
Source: Survey's Data, 2024

Strong, positive correlations between employee performance and all PMS components especially corrective action (r = 0.680) and ongoing feedback (r = 0.660) are consistent with the hypothesised direct links (Hypotheses 1–4) and echo empirical findings from Listiani & Kartini (2015) and Samwel (2018). Furthermore, the pattern of significant inter-correlations among all predictors reinforces the view that these components function as an integrated, interconnected system rather than isolated events (Pulakos, 2009). However, as correlation does not imply causation, the subsequent regression and mediation analyses are necessary to unpack unique effects and mechanisms.

4.3 Model Assumptions Test

Before conducting the regression analysis, a series of diagnostic tests were performed to verify that the data did not violate the assumptions of regression. The tests included normality of residuals, linearity, multicollinearity, homoscedasticity, model specification (Ramsey RESET), and autocorrelation (Durbin–Watson).

4.3.1 Normality Test

Normality of the error term was assessed using Kolmogorov–Smirnov and Shapiro–Wilk tests on the unstandardised residuals. Neither test rejected normality: Kolmogorov–Smirnov = 0.052 (df = 242, p = 0.200) and Shapiro–Wilk = 0.993 (df = 242, p = 0.304). See table 6 below:

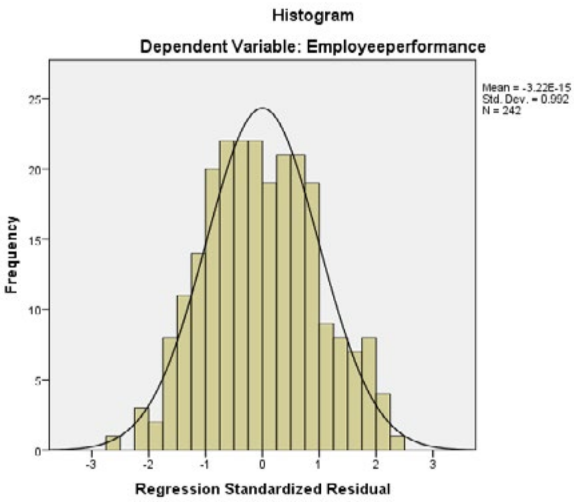
Table 6. Tests of Normality

	Kolmogorov-Smirnova			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Unstandardised Residual	0.052	242	0.200*	0.993	242	0.304

*. This is a lower bound of the true significance.
a. Lilliefors Significance Correction
Source: Survey's Data, 2024

Further a visual inspection of the residual histogram (figure 1) also supported approximate normality. These results indicate that the normality assumption is met.

Figure 1. Normality Test

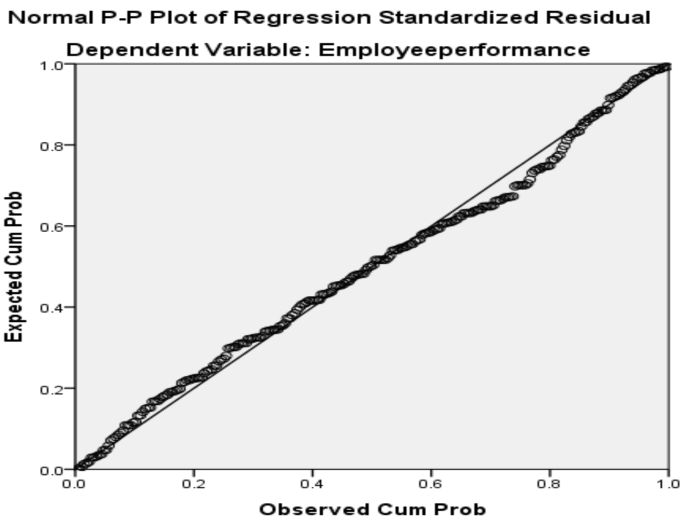


Source: Survey's Data, 2024

4.3.2 Linearity Test

Linearity between each predictor (performance planning, performance appraisal process, ongoing feedback, corrective action) and the dependant variable (employee performance) was evaluated visually with P–P plots and via a model specification test. The P–P plot (figure 2) showed that observed and predicted values align closely with the diagonal (no systematic departures), indicating linear relationships.

Figure 2. Linearity test



Source: Survey's Data, 2024

4.3.3 Test of Multicollinearity

Multicollinearity was checked using tolerance and variance inflation factor (VIF) statistics. All predictors showed acceptable tolerance and VIF values: Performance planning (Tolerance = 0.552, VIF = 1.812), Performance appraisal process (Tolerance = 0.615, VIF = 1.626), Ongoing feedback (Tolerance = 0.671, VIF = 1.489), Corrective action (Tolerance = 0.806, VIF = 1.240). Because VIFs are well below common cut-offs (e.g., 10, and even below 5) and tolerance values are comfortably above small-value thresholds, there is no indication of problematic multicollinearity among the independent variables. See table 7.

Table 7. Multicollinearity Test

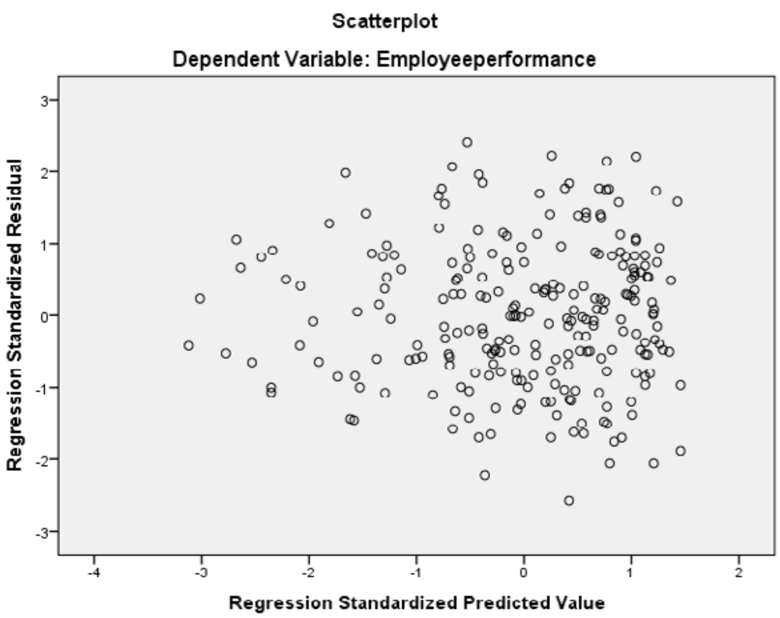
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Performance Planning	0.552	1.812
	Performance appraisal process	0.615	1.626
	Ongoing feedback	0.671	1.489
	Corrective Action	0.806	1.240

Source Survey's Data, 2024

4.3.4 Homoscedasticity

Homoscedasticity was evaluated visually using a scatterplot of residuals (figure 3) and formally with White's test. The scatterplot showed a random distribution of points with no discernible pattern, indicating no visible heteroscedasticity. This conclusion was confirmed by White's test: the auxiliary regression returned $R^2 = 0.056$, giving LM = n × R^2 = 242 × 0.056 = 13.552 ($\chi^2(14) = 13.55$, $p = 0.484$), which provides no statistical evidence of heteroscedasticity. Therefore, the homoscedasticity assumption is satisfied.

Figure 3. Homoscedasticity



Source: Survey's Data, 2024

4.3.5 Model Specification (Ramsey RESET)

Model specification was assessed using the Ramsey RESET test to detect omitted nonlinearities or functional-form misspecification. The RESET test (adding squared and cubed predicted values) produced an R^2 change = 0.000 and F(2,235) = 0.192, $p = 0.826$, indicating no evidence of model misspecification or omitted nonlinear terms.

4.3.6 Autocorrelation (Durbin–Watson)

Autocorrelation of residuals was examined with the Durbin–Watson statistic. The model produced a Durbin–Watson value of 1.95, which is close to the ideal value of 2 and indicates no serious first-order autocorrelation in the residuals. Please see table 8.

Table 8. Durbin–Watson Test for Autocorrelation

Model Summary[b]	
Model	Durbin-Watson
1	1.950[a]

a. Predictors: (Constant), Corrective action, Performance appraisal process, Ongoing feedback, Performance planning
b. Dependant Variable: Employee performance
Source: Survey's Data, 2024

4.4 Regression Results

4.4.1 Model Summary

A multiple regression analysis as displayed in table 9 below was conducted to evaluate the extent to which corrective action, ongoing feedback, performance appraisal process, and performance planning collectively predict employee performance. The model explained 74.5% of the variance in employee performance (R^2 = 0.745, adjusted R^2 = 0.741). The multiple correlation coefficient (R = 0.863) indicated a strong positive relationship between the predictors and the dependant variable. The standard error of the estimate (0.59803) demonstrated that the average deviation of observed employee performance scores from the model's predicted values was approximately 0.60 units. These results suggest that the combination of performance planning, ongoing feedback, performance appraisal processes, and corrective action serves as a robust predictor of employee performance.

Table 9. Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.863[a]	0.745	0.741	0.59803

a. Predictors: (Constant), Corrective action, Ongoing feedback, Performance appraisal process, Performance planning
b. Dependant Variable: Employee performance
Source: Survey's Data, 2024

4.4.2 The Analysis of Variance (Model Fitness)

To determine whether the combined predictors namely corrective action, continuous feedback, the performance appraisal process, and performance planning significantly predicted employee performance, a one-way analysis of variance (ANOVA) was performed as can be seen from table 10 below. A large percentage of the variance in employee performance can be explained by the variables taken together, according to the statistically significant regression model ($F(4, 237) = 173.552$, $p < 0.001$). The model appears to be a good match for the data, as indicated by the large F-value and the low significance level ($p < 0.001$).

Table 10. The Analysis of Variance

ANOVAa						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	248.276	4	62.069	173.552	0.000[b]
	Residual	84.761	237	0.358		
	Total	333.036	241			

a. Dependant Variable: Employee performance
b. Predictors: (Constant), Corrective action, Ongoing feedback, Performance appraisal process, Performance planning
Source: Survey's Data, 2024

4.4.3 Multiple Regression Analysis

According to a multiple regression analysis, as shown in Table 11, employee performance was significantly predicted by performance planning, performance appraisal processes, ongoing feedback, and corrective action ($p < 0.001$). Based on the unstandardised coefficients, employee performance increased positively for every unit increase in performance planning (B = 0.244, SE = 0.045), performance appraisal processes (B = 0.240, SE = 0.053), ongoing feedback (B = 0.320, SE = 0.045), and corrective action (B = 0.494, SE = 0.041). Corrective action (β = 0.442) and ongoing feedback (β = 0.285) were further highlighted by the standardised coefficients as the strongest unique predictors. The substantial constant term (B = –1.089, SE = 0.197, $p < 0.001$) suggests that, without these performance management practises, employee performance would be considerably lower. Overall, these results emphasise the importance of systematic performance management practises in enhancing employee performance, particularly corrective action and ongoing feedback.

Table 11. Multiple Regression Coefficients

Model		Unstandardised Coefficients B	Unstandardised Coefficients Std. Error	Standardised Coefficients Beta	t	Sig.
1	(Constant)	-1.089	0.197		-5.534	0.000
	Performance planning	0.244	0.045	0.237	5.369	0.000
	Performance appraisal process	0.240	0.053	0.190	4.557	0.000
	Ongoing feedback	0.320	0.045	0.285	7.124	0.000
	Corrective action	0.494	0.041	0.442	12.107	0.000

a. Dependant Variable: Employee performance
Source: Survey's Data, 2024

4.4.4 Regression Equation

A multiple regression model was used to determine whether independent variables, as symbolised by PP=performance planning, PAP= performance appraisal process, OGF=ongoing feedback, and CA=corrective action altogether affected the dependant variable EP= employee performance. The Multiple regression models were as follows:

$$EP = \beta0+\beta1X1+ \beta2x2+ \beta3X3+ \beta4X4+\Sigma0+e$$

$$EP = \beta0+\beta1(TD)+ \beta2(PAP)+\beta3(OGF)+\beta4(RS)+e$$

$$EP=-1.089+0.244(PP)+0.240(PAP)+0.320(OGF)+0.494(CA)+e$$

Where; EP= the dependant variable (Employee Performance)

PP= the first independent variable (Performance Planning)

PAP= the second independent variable (Performance Appraisal Process)

OGF= the third independent variable (On-Going Feedback)

CA= the fourth independent variable (Corrective Action)

β0 =intercept of the equation

e = error term

Diagnostic checks (normality tests, P–P plot and Ramsey RESET, VIF/tolerance for multicollinearity, White's test for heteroscedasticity, and Durbin–Watson) show that key assumptions are sufficiently met, lending credibility to the ensuing regression estimates and aligning with best-practise recommendations in quantitative Performance Management Systems research (Aguinis, 2013). The regression model explains a large share of variance in employee performance *(R^2 = 0.745)*, and the positive, significant coefficients for performance planning, appraisal, ongoing feedback, and corrective action confirm Hypotheses 1–4. In particular, corrective action (β = 0.442) and ongoing feedback (β = 0.285) emerge as the strongest unique predictors, indicating that both targeted corrective mechanisms and continuous managerial interaction are central to improving employee outcomes, consistent with Pulakos's (2009) emphasis on frequent feedback and Aguinis's (2013) focus on actionable performance information. The large intercept indicates that without these structured practises, employee performance would be low, showing how important it is to use PMS activities in daily management. At the same time, the unique effects of appraisal and planning show that formal systems add value alongside feedback and corrective action, rather than replacing them.

4.5 Mediation Analysis

A parallel mediation model was tested using the Jamovi GLM Mediation procedure with bias-corrected and accelerated bootstrap confidence intervals (N = 242; 2,000 resamples), specifying ongoing feedback and corrective action as parallel mediators between performance management practises (performance planning and performance appraisal) and employee performance. See table 12.

4.5.1 Performance Planning

Consistent with the proposed model, performance planning showed significant associations with both mediators: planning was positively related to corrective action (B = 0.318, 95% BCa CI [0.147, 0.486], $p < 0.001$) and ongoing feedback (B = 0.335, 95% BCa CI [0.197, 0.487], $p < 0.001$), and both mediators in turn were positively related to employee performance (corrective action: B = 0.494, 95% BCa CI [0.415, 0.582], $p < 0.001$; ongoing feedback: B = 0.320, 95% BCa CI [0.238, 0.404], $p < 0.001$). These component paths produced significant indirect effects of planning via corrective action (B = 0.157, 95% BCa CI [0.074, 0.252], $p < 0.001$) and via ongoing feedback (B = 0.107, 95% BCa CI [0.058, 0.172], $p < 0.001$), while the direct effect of planning remained significant (B = 0.244, 95% BCa CI [0.159, 0.335], $p < 0.001$), indicating partial mediation and a substantial total effect (B = 0.508, 95% BCa CI [0.376, 0.642], $p < 0.001$). This pattern shows that performance planning helps employees focus their efforts by giving clear goals and expectations. It also encourages managers to provide corrective actions and helpful feedback that improve performance. This supports performance management theories that describe planning as the stage where standards and benchmarks are set for feedback and corrective action (Pulakos, 2009; Aguinis, 2013). It also agrees with studies showing that corrective actions work best when they are linked to clear goals and specific information about performance gaps (Ilgen & Davis, 2000; Nugroho & Muhamad, 2016).

4.5.2 Performance Appraisal

For the performance appraisal process, the component paths revealed a different pattern: appraisal was not significantly associated with corrective action (B = 0.007, 95% BCa CI [−0.175, 0.191], $p = 0.938$) and its indirect effect via corrective action was non-significant (B = 0.003, 95% BCa CI [−0.089, 0.094], $p = 0.938$); however, appraisal significantly predicted ongoing feedback (B = 0.234, 95% BCa CI [0.062, 0.420], $p = 0.002$), which then predicted employee performance producing a significant indirect effect via feedback (B = 0.075, 95% BCa CI [0.022, 0.144], $p = 0.005$), while the direct effect of appraisal remained significant (B = 0.240, 95% BCa CI [0.142, 0.341], $p < 0.001$) and the total effect was smaller than planning's (B = 0.319, 95% BCa CI [0.167, 0.492], $p < 0.001$). This suggests that performance appraisal mainly serves as a platform for sharing information and supporting employee development. It contributes to ongoing feedback rather than immediately leading to corrective actions. This matches what the literature says that appraisal works best when it encourages coaching and continuous conversations instead of strict enforcement (Mcafee & Champagne, 1993; Pulakos, 2009; Armstrong, 2014). Therefore, improving the connection between appraisal and feedback, such as using appraisal meetings to start regular coaching may be more effective for boosting performance than using appraisal to trigger corrective action.

Table 12. Parallel Mediation Model: Indirect Effects, Component Paths, Direct Effects, and Total Effects

Effect	B	SE	95% BCa CI	β	z	p
Indirect effects						
Performance planning → Corrective action → Employee performance	0.157	0.0366	[0.0744, 0.2524]	0.153	4.298	< 0.001
Performance planning → Ongoing feedback → Employee performance	0.107	0.0251	[0.0577, 0.1720]	0.104	4.284	< 0.001
Performance appraisal → Corrective action → Employee performance	0.003	0.0420	[−0.0894, 0.0940]	0.003	0.078	0.938
Performance appraisal → Ongoing feedback → Employee performance	0.075	0.0268	[0.0217, 0.1444]	0.059	2.789	0.005
Component paths						
Performance planning → Corrective action	0.318	0.0692	[0.1472, 0.4862]	0.346	4.591	< 0.001
Corrective action → Employee performance	0.494	0.0404	[0.4154, 0.5816]	0.442	12.235	< 0.001
Performance planning → Ongoing feedback	0.335	0.0629	[0.1970, 0.4867]	0.366	5.331	< 0.001
Ongoing feedback → Employee performance	0.320	0.0445	[0.2382, 0.4041]	0.285	7.198	< 0.001
Performance appraisal → Corrective action	0.007	0.0850	[−0.1750, 0.1907]	0.006	0.078	0.938
Performance appraisal → Ongoing feedback	0.234	0.0772	[0.0615, 0.4202]	0.208	3.025	0.002
Direct effects						
Performance planning → Employee performance	0.244	0.0449	[0.1591, 0.3349]	0.237	5.426	< 0.001
Performance appraisal → Employee performance	0.240	0.0522	[0.1415, 0.3409]	0.190	4.605	< 0.001
Total effects						
Performance planning → Employee performance	0.508	0.0611	[0.3763, 0.6422]	0.494	8.325	< 0.001
Performance appraisal → Employee performance	0.319	0.0749	[0.1665, 0.4918]	0.252	4.251	< 0.001

Source Survey's Data, 2024

Note. N = 242. B = unstandardised coefficient; SE = standard error; β = completely standardised coefficient. All confidence intervals are bias-corrected bootstrap intervals based on 2,000 resamples. Although bootstrap CIs are essential for indirect effects and direct/total effects are conventionally reported with normal-theory CIs, all effects are presented here with bias-corrected bootstrap CIs for consistency with the software output.

4.6 Hypothesis Summary

To ascertain if the study hypotheses were accepted or rejected, they were tested using the unstandardised coefficients, and p-values, as indicated in table 13. Based on the results, the researcher came to the conclusion that all four variables of performance management system (corrective action, ongoing feedback, performance appraisal process, performance planning) were statistically significant and increased employee performance in the four star-rated hotels in Addis Ababa.

Table 13. Analysis of Hypothesis

	B	*p*-value	Decision
H1. There is a significant positive effect of performance planning on employee performance	0.208	0.000	Accepted
H2. There is a significant positive effect of performance appraisal process on employee performance	0.230	0.000	Accepted
H3. There is a significant positive effect of ongoing feedback on employee performance	0.346	0.000	Accepted
H4. There is a significant positive effect of corrective action on employee performance	0.461	0.000	Accepted
H5. Ongoing feedback mediates the positive relationship between performance planning and employee performance	0.104	0.001	Accepted
H6. Corrective action mediates the positive relationship between performance planning and employee performance	0.0153	0.001	Accepted
H7. Ongoing feedback mediates the positive relationship between the performance appraisal process and employee performance	0.059	0.005	Accepted
H8. Corrective action mediates the positive relationship between the performance appraisal process and employee performance	0.003	0.938	Rejected

4.7 Theoretical Implications

The study contributes to performance management theory by reinforcing the view that a Performance Management System (PMS) functions as an integrated and continuous cycle rather than a set of isolated administrative practices. The findings demonstrate that performance planning, performance appraisal, ongoing feedback, and corrective action collectively influence employee performance, with the model explaining a substantial 74.5% of its variance ($R^2 = 0.745$). More importantly, the study advances theory by uncovering the mechanisms through which these practices operate. Performance planning influences employee performance both directly and indirectly through ongoing feedback and corrective action, confirming its foundational role in shaping subsequent managerial processes and employee outcomes within the PMS cycle.

Furthermore, the study refines theoretical understanding by revealing an asymmetric mediation pattern among PMS components. While ongoing feedback and corrective action both mediate the relationship between performance planning and employee performance, only ongoing feedback mediates the relationship between performance appraisal and employee performance, with corrective action showing no significant mediating role. This indicates that performance appraisal functions primarily as a developmental and communication-oriented mechanism rather than a direct trigger for corrective intervention. At the same time, corrective action emerges as a strong predictor of performance when aligned with clear planning and supported by feedback, highlighting its developmental rather than purely punitive role. Overall, the study extends PMS theory by emphasising the differentiated roles of system components and the importance of continuous managerial interaction in translating formal performance management practices into actual performance outcomes, particularly in service-oriented contexts such as the hotel industry.

4.8 Practical Implications

This study offers actionable guidance for hotel managers and HR practitioners seeking to improve employee performance by strengthening Performance Management Systems (PMS). The findings support a shift from seeing PMS as an annual administrative task toward treating it as an integrated, day-to-day management cycle centred on clear expectations and continuous managerial dialogue.

First, the foundational role of performance planning should be prioritised. Participatory goal-setting establishes clear, mutually understood expectations and both directly and indirectly enhances performance (planning total effect $\beta = 0.494$, $p < 0.001$; direct $\beta = 0.237$, $p < 0.001$; indirect via corrective action $\beta = 0.153$, $p < 0.001$; indirect via feedback $\beta = 0.104$, $p < 0.001$). HR should train managers to facilitate collaborative planning workshops and document agreed targets rather than simply assigning targets.

Second, ongoing feedback should be institutionalised as a routine managerial activity. Feedback was the primary mediating channel in our model and a unique predictor of performance ($\beta = 0.285$, $p < 0.001$).

Hotels should move beyond once-a-year reviews by implementing regular, timely check-ins (for example, brief weekly or bi-weekly conversations where appropriate), focused on progress, coaching, and immediate course correction; managers need training to deliver specific, constructive feedback.

Third, corrective action should be reframed and used developmentally. Corrective action is a strong driver of performance ($\beta = 0.442$, $p < 0.001$) but adds value primarily when linked to clear expectations from planning. Corrective steps should emphasise support (tailored training, mentoring, resource adjustments) rather than punishment, with follow-up actions documented and reviewed.

Finally, the appraisal process should be redesigned to trigger development. In this study, appraisal produced an indirect effect via feedback but did not predict corrective action (appraisal→corrective non-significant, $p = 0.938$), implying appraisal often fails to generate follow-through. Appraisal discussions should therefore produce concrete, time-bound improvement plans with accountable owners.

5. Conclusion

This study underscores the important role of Performance Management Systems (PMS) in shaping employee performance within Addis Ababa's established four-star hotels. Respondents generally rated PMS components positively, and bivariate analyses revealed strong, positive associations between employee performance and each PMS element. Regression results indicated that corrective action and ongoing feedback emerged as the most influential unique predictors of performance, while performance planning and the appraisal process also made meaningful contributions. Mediation analyses further clarified the internal dynamics of the system: performance planning enhanced performance both directly and indirectly by strengthening ongoing feedback and enabling corrective action, whereas the appraisal process affected performance primarily through the feedback it generated and did not reliably trigger corrective follow-up.

Taken together, these findings suggest that PMS should be treated as an integrated, continuous management cycle rather than a one-off administrative event. Hotels that emphasise participatory goal-setting, clear and shared performance standards, routine monitoring and dialogue, and developmentally framed corrective steps are better positioned to convert appraisal information into actual performance improvement. For managers, fostering transparent communication, timely recognition, and documented follow-through after appraisal conversations can help align individual growth with organisational objectives and cultivate a culture of sustained performance excellence.

It is important to recognise a few limitations in spite of the robust research design. Depending only on self-administered surveys can trigger biases such as social desirability and subjective reporting, which could affect the accuracy of performance assessments. Other than that, the cross-sectional nature of the study made it difficult to observe changes over time or establish causality. Additionally, by focussing exclusively on hotels that have been operating for at least 20 years, the viewpoints and maybe innovative performance management strategies of more recent enterprises would have gone overlooked.

Future research may build on these findings by examining the long-term effects of performance management processes on employees using a longitudinal design. In order to reduce the potential biases in self-reported data, a mixed-methods approach that blends quantitative surveys with focus groups or qualitative interviews may provide deeper insights. A larger range of hotels, such as the ones that are just getting started, might be included in the sample to increase the generalisability of the data and facilitate comparative analysis.

REFERENCES

Afshan, S., Sobia, I., Kamran, A., & Nasir, M. (2012). Impact of training on employee performance study of telecommunication sector in Pakistan. *Interdisciplinary Journal of Contemporary Research in Business, 4*(6).

Aguinis, H. (2013). *Performance Management* (3rd ed.). Pearson Education.

Ako, E., & Baiye, E. (2023). Planning and its effects on employee's performance in the University of Bamenda. *Frontiers in Management Science*. https://doi.org/10.56397/fms.2023.08.01.

Armstrong, M. (2009). *Armstrong's Handbook of Human Resource Management Practice* (11th ed.). Kogan Page.

Armstrong, M., & Baron, A. (2014). *Managing Performance: Performance Management in Action*.

Armstrong, M. (2006b). *A Handbook of Human Resource Management Practise* (10th ed.). Kogan Page.

Boswell, M., & Boudreau, J. (2000). Employee satisfaction with performance appraisal and appraisers: The role of perceived appraisal use. *Journal of Human Resource Development, 11*(3), 283-299.

Christ, M., Emett, S., Summers, S., & Wood, D. (2012). The effects of preventive and detective controls on employee performance and motivation. *Contemporary Accounting Research, 29*, 432-452. https://doi.org/10.1111/J.1911-3846.2011.01106.X.

De Waal, A. A. (2003). Behavioral factors important for the successful implementation and use of performance management systems. *Management Decision, 41*(8), 688-697.

DeCenzo, D. A., & Robbins, S. P. (2010). *Fundamentals of Human Resource Management* (10th ed.). John Wiley & Sons.

Dessler. (2008). *Human Resources Management* (8th ed.).

Gerrish, E. (2016). The impact of performance management on performance in public organisations: A meta-analysis. *Public Administration Review, 76*(1), 48-66.

Hamidi, A. B. (2023). The impacts of performance appraisal on employee's job satisfaction and organisational behavior. *Ilomata International Journal of Social Science, 4*(3), 466-480. https://doi.org/10.52728/ijss.v4i3.876.

Hvidman, U., & Anderson, S. C. (2016). Perceptions of public and private performance: Evidence from a survey experiment. *Public Administration Review, 76*(1), 111-120.

Ilgen, D. R., & Davis, C. A. (2000). Bearing bad news: Reactions to negative performance feedback. *Applied Psychology: An International Review, 49*(3), 550–565. https://doi.org/10.1111/1464-0597.00031

Ilias, N., Abdulatiff, N., & Muhamed, N. (2016). Management control system and performance accountability attributes in local authorities. *International Journal of Economics and Financial Issues, 6*(4), 26-35.

Jenifa Calisti Mbise. (2014). *The impact of performance management systems on employee's performance: A case study of University of Arusha* [Master's thesis, University of Tanzania].

Judy Waithira Kagotho. (2018). *Effects of performance appraisal on employee performance in the healthcare sector in Kenya: A case study of Getrudes Children Hospital in Nairobi* [Master's thesis, University of Africa].

Listiani, T., & Kartini, D. (2015). Application performance management impact on organisational performance local company (Studies in West Java-Indonesia). *International Journal of Scientific & Technology Research, 4*(02), 191-198.

Mdhlalose, D. (2023). The Systematic Review of Effective Performance Management Systems in Organizations. *Jurnal Aplikasi Manajemen, 21*(2), 319-330. http://dx.doi.org/10.21776/ub.jam.2023.021.02.04

Mcafee, R. B., & Champagne, P. J. (1993). Performance Management: A Strategy for Improving Employee Performance and Productivity. *Journal of Managerial Psychology*, 8, 24-32.

McCrie, R. (2022). Discipline and discharge. *Security Operations Management*. https://doi.org/10.1016/B978-075067882-7/50046-1.

Mintesinot Mulugeta Tesfamariam. (2021). *The effect of performance management system on employees' performance: The case of Addis Ababa City Government Revenue Bureau* [Master's thesis, Addis Ababa University].

Noe, R. A., et al. (2016). *Fundamentals of Human Resource Management* (6th ed.). McGraw-Hill Education.

Nugroho, S., & Muhamad, A. (2016). Factors affecting employee performance: A case study in Marketing and Trading Directorate, Pertamina Ltd. *International Journal of Scientific and Research Publications*.

Pandey, K. (2024). The Study on The Impact of Performance Management System on Employee performance. *International Journal of Scientific Research in Engineering and Management, 8*(4), 1-8. https://ijsrem.com/download/the-study-on-the-impact-of-performance-management-system-on-employee-performance/

Plano Clark, V. L., & Creswell, J. W. (2015). *Understanding research: A consumer's guide* (2nd ed.). Pearson.

Pulakos, E. D. (2009). Performance management: A new approach for driving business results. Wiley Blackwell. https://doi.org/10.1002/9781444308747

Rudman, R. (2003). *Human Resource Management in New Zealand.* Pearson Education New Zealand Limited.

Said Muhammad, Imran Khan, & Filza Hameed. (2021). The impact of performance management system on employees' performance. *International Journal of Business and Management Sciences, 2*(3).

Samwel, O. (2018). *An assessment of the impact of performance management on employee and organisational performance*. Macro Think Institute.

Satter, H., Lubna, K., & Mattiullah, B. (2018). Effect of performance management on employees well-being via perceived job control. *Human Resource Research, 2*(1), 18-32.

Siraj, N., & Hágen, I. (2023). Performance management system and its role for employee performance: Evidence from Ethiopian SMEs. *Heliyon, 9*(11), e21819. DOI: 10.1016/j.heliyon.2023.e21819.

Tyson, S., & York, A. (2000). *Essentials of Human Resources Management* (4th ed.). Oxford.

Waleed Ameen Almulaiki. (2023). The impact of performance management on employee performance. *Saudi Journal of Business Management Study, 8*(2), 22-27.

Yamane, T. (1967). *Statistics: An introductory analysis* (2nd ed.). Harper and Row.

Zeray Kahsay Tesfaye. (2022). *The effect of human resource management practises on employee job satisfaction: The case of EthioBeherawi School, of Zeleke and Amelework Enterprise PLC, Addis Ababa* [Master's thesis, Addis Ababa University].

ORCID

Demeke Kibru https://orcid.org/0009-0000-3874-7570

Mesfin Tesfaye https://orcid.org/0009-0005-6734-4363

Sukarn Sharma https://orcid.org/0000-0002-9722-6377

Notes on contributors

Demeke Kibru is a lecturer in the Department of Tourism and Hotel Management at Wolkite University, Ethiopia. He earned his BA in Hospitality and Tourism Management in 2017 from Jimma University and his Master's in Tourism Development and Management from Addis Ababa University in 2020. His research interests include tourism innovation, marketing, sustainable tourism, and consumer behaviour. Mr. Demeke also brings over 8 years of teaching experience in higher education and has also published articles in internationally peer-reviewed journals.

Mesfin Tesfaye is a lecturer in the Department of Banking and Finance at Jimma University, Ethiopia. He earned his BA in Banking and Finance in 2016 and MSc in Accounting and Finance in 2018, both from Jimma University. His research interests include: general finance, fintech, financial inclusion, sustainability, financial markets and development. Mr. Mesfin has teaching experience over 8 years in higher education and published articles in international journals.

Sukarn Sharma is an Associate Professor in the Department of Tourism and Hotel Management at Jimma University, Ethiopia. He has over 15 years of teaching experience across higher education institutions in Ethiopia and India, as well as a short research stint in Botswana. He was awarded his PhD in Tourism in 2011 from Jiwaji University, India, and his research focuses on the timeshare industry, hospitality marketing, consumer behavior and organisational culture. He has published around 20 articles in international refereed journals and has contributed to several international conferences, including paper presentations in Nepal and India, and an accepted work in Pakistan. He also possesses valuable industry experience within the tourism sector, which complements his professional approach to hospitality education.